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UNIVERSITY MICROFILMS SERIALS DIVISION

In a Fearful Europe, Japan's New Clout Prompts a Backlash

By William Drozdiak
Washington Post Service

PARIS — A new wave of anti-Japanese sentiment is spreading across Europe as public admiration for Japan's remarkable postwar recovery is rapidly turning to fear that its economic juggernaut will smash key industries, conquer the unifying European market and transform the Continent into an industrial colony.

Books and newspapers are jammed with references to the Japanese peril.

The Japanese "salaryman's" arduous office hours, skimpy vacations and fanatical work ethic are scorned in France and Germany as anathema to an enlightened lifestyle, yet considered a warning of what the future might bring if Japanese firms succeed in dominating the European economy.

For European workers accustomed to six-week vacations, medical coverage and generous retirement plans as early as age 50, the notion that the good life may end with eventual Japanese industrial colonization is becoming a powerful rhetorical weapon for European politicians.

Government and business leaders in Europe speak increasingly in bellicose images such as the "looming invasion" or "economic war plan" that they insist Japan is poised to launch when the 12 European Community countries create a single market of 340 million consumers after 1992.

Prime Minister Edith Cresson of France has even described the Japanese as ants imbued with a single-minded devotion to vanquish the Western world.

"They sit up all night thinking of ways to screw the Americans and the Europeans," she said before taking office last month. "They are our common enemy."

In an interview with Pierre-Antoine Donnet, the author of a recent book entitled, "Japan Buys the World," Mrs. Cresson compared the publication of the nationalistic "The Japan That Can Say No" to Adolf Hitler's plan to vanquish the world. The book, by the Sony Corp. president, Akio Morita, and Shintaro Ishihara argues that Japan is the rightful leader of a new world order.

"It is exactly the same thing as the real 'Mein Kampf,'" Mrs. Cresson said. "That is to say, this book describes everything that is going to happen."

Even more than the economic turmoil in Eastern Europe, Japan's expanding power is increasingly perceived by politicians and analysts as a major threat to Europe's ambitions to emerge as the preeminent economic superpower later in the decade.

Besides Japan's formidable strength as a commercial rival, European analysts are concerned about Japan's clout as the world's biggest creditor.

They worry that Japan may be increasingly tempted to use that power to threaten capital-starved countries and to acquire further economic leverage over Europe.

The "Nippophobia" phenomenon has gathered momentum largely because there appear to be no easy answers to prevent the likelihood that European unemployment, already much higher than in the United States, is about to increase, or that if protectionist measures are invoked to save jobs, prices will have to soar, and thus hurt the European consumer.

Europe's computer industries are on the verge of collapse. The Dutch electronics giant Philips NV, Italy's Olivetti SpA and France's Groupe Bull have been forced to lay off thousands.

Automobile companies, which account for 10 percent of the jobs in Europe, are also withering under the Japanese challenge.

The largest Japanese firms are skirting the threat of quotas and import duties by building plants in Britain so they can be assured of access to the entire European market when all national trade barriers are removed within the Community by the end of 1992.

France, Italy and several southern European nations are inclined to take urgent protectionist measures to rescue key industries.

Even Germany, which as the world's leading exporter has traditionally favored free trade, is advo-

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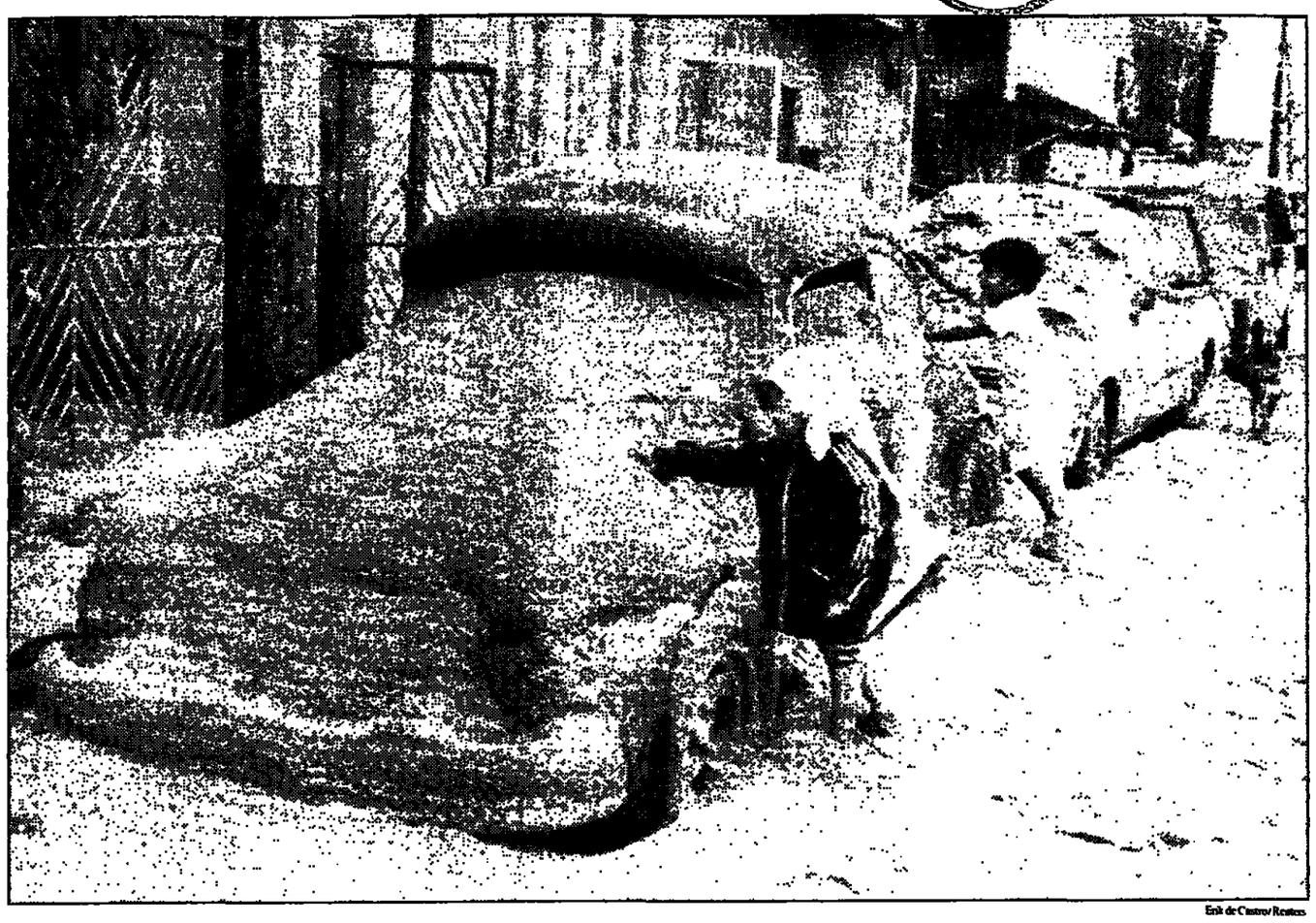

Erik de Castro/Reuters

Like snow, ash spewing from Mount Pinatubo in the Philippines covered cars Sunday, giving children a new experience in play.

Thousands of Kurds in D'hok Protest U.S. Pullout

Compiled by Our Staff From Dispatches

D'HOK, Iraq — Thousands of Kurds marched through this northern Iraqi city on Sunday to protest the withdrawal of U.S. troops.

The demonstrators, chanting "Yes! Yes! Bush!" marched to the headquarters of the United Nations High Commissioner for Refugees, which is the base for a small force of UN guards.

The last 150 U.S. soldiers left their base in D'hok on Saturday.

The Kurds say the UN force is not adequate to protect them from infiltration by the Iraqi secret police. They are demanding that the United States resume its military presence.

The United Nations, crippled by lack of funds, has so far been able to hire only 37 of the 500 guards it had hoped to deploy in the city.

D'hok, which was almost deserted when the U.S. troops arrived last month, now has roughly two-thirds of its prewar population of 300,000.

Allied troop strength in the area has dropped to 15,443 soldiers, 28 percent of its peak level, which was reached on May 21. More than half of those troops are Americans.

A U.S. military officer said there was no firm date for a total allied withdrawal from northern Iraq.

Kurdish guerrillas led the demonstration in D'hok and ensured that the crowd, estimated by one witness at 15,000, dispersed peacefully.

Many allied troops involved in distributing food, tents or other aid to returning refugees who fled Iraqi forces in April are leaving Iraq, their humanitarian task nearly completed.

U.S. military sources believe that Iraqi troops are less likely to attack Kurds in areas such as D'hok, which are close to the allied security zone, than in eastern parts of the Kurdish region.

The Kurds want the allies to stay until an autonomy accord for the country's 3.5 million Kurds is reached with President Saddam Hussein. A Kurdish delegate to the talks in Baghdad said Sunday that Iraqi authorities and Kurdish leaders had reached a draft accord that would be signed "in the coming days."

Massoud Barzani, head of the Democratic Party of Kurdistan, left Baghdad on Sunday for Iraqi Kurdistan, in the north, to discuss the accord with local officials, said a party member, Rosh Shaways.

"A draft agreement will be signed here in the coming days," he said. Mr. Shaways declined to provide details of the accord.

"There will be no more negotiations and we're waiting for

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20,000 U.S. Kin Fleeing Volcano

Carrier on Way To Philippines For Dependents

By William Branigin
Washington Post Service

ANGELES, Philippines — The United States announced Sunday that it would evacuate more than 20,000 dependents of U.S. military personnel from the Philippines because of the eruption of Mount Pinatubo, and it ordered an aircraft carrier group to assist.

The decision, a step that sharply reduces U.S. military presence here, reflected an assessment that the situation at Subic Bay Naval Base, where the number of Americans doubled when 14,500 U.S. Air Force personnel and family members were evacuated there Monday, had become "untenable," a senior U.S. official said.

The U.S. naval base is covered with 6 to 12 inches (15 to 30 centimeters) of ash from eruptions of Mount Pinatubo, electricity has been knocked out, there is little water and 106 buildings have been damaged by falling ash, the official said.

The U.S. move came despite the conclusion by the Philippine Institute of Volcanology and Seismology that, in effect, the worst was over after a combination of volcanic eruptions, earthquakes and thunderstorms that battered central Luzon over the weekend.

More than 50 people have been reported killed and at least 150 have been injured in the eruptions, most of them in buildings that collapsed under the weight of volcanic ash or in surging mud flows brought on by torrential rains.

Among the dead was a U.S. Air Force sergeant's daughter, who died Saturday along with the daughter of a Filipino employee when the roof of a high school collapsed at Subic, officials said.

Other fatalities were reported in the collapse of part of a hospital in Olongapo, near Subic, a church in the town of Dau and a public market, a high school and many homes.

Hundreds of thousands of people were forced to flee their homes, many of them winding up in makeshift shelters.

Despite ample warning of the volcano's wrath, government authorities seemed ill-prepared to cope with the influx of refugees, and provisions were reported in short supply.

At Clark Air Base, adjoining this city about 50 miles (80 kilometers) north of Manila, a convoy of U.S. military vehicles arrived Sunday afternoon on a reconnaissance mission, and officials later reported extensive damage to the base.

The roofs of many buildings had caved in, scores of trees had been

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Kiosk

Knife Attacks Hurt 5 in Israel

JERUSALEM (Reuters) — A Palestinian stabbed and wounded an Israeli farmer Sunday, the police reported, to avenge the killing of 18 Arabs on Temple Mount eight months ago.

It was the third politically motivated stabbing in three days, wounding five people. The police said the attacker told them he was a member of Fatah, the main group in the Palestine Liberation Organization.

On Saturday, two Palestinian girls stabbed and wounded an Italian Jewish tourist near an entrance to the Old City. On Friday, an Arab stabbed and wounded three Thai workers on a West Bank farm.

General News

Did President Zachary Taylor die of poisoning, or overeating? An autopsy is set. Page 3.

Dresden neo-Nazis: marching toward uncertainty. Page 2.

Aviation

Three makers are fighting over the wide-bodied aircraft market. **Special Report, Page 15.**

Business/Finance

Airbus will announce this week an order for 75 cargo jets, worth $6 billion. Page 9.

Polish carmaker FSO expects GM to offer a bailout package this week. Page 9.

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Gandhi Party Takes Early Lead

But With Majority Unlikely, Coalition Might Be Needed

By Barbara Crossette
New York Times Service

NEW DELHI — The Congress (I) Party of former Prime Minister Rajiv Gandhi took an early lead Sunday night as results began to be tallied in India's 10th national parliamentary election. The party is likely to be given the first chance to form a new government.

But projections of the trends established Sunday still show the Congress Party winning only a plurality, not a majority, in the lower house of parliament.

The party is likely to have to seek a coalition partner or an understanding of some kind with another party willing to lend support without joining the administration.

After an initial Congress Party surge ebbed, experts were predicting that the party would finish with about 210 seats, an improvement over the 197 it won in 1989, but still short of the 256 needed for a majority. Even with the support of allied parties, Congress would by present trends have control over a maximum of 225 seats.

Final results are not expected until late Monday or early Tuesday. Counting of paper ballots is done manually.

The election appears to have turned into a straight fight between the centrist Congress and the right-

Sikh separatists hijack two trains and kill 126 people. Page 6.

ist pro-Hindu Bharatiya Janata Party.

The third major party in the race, the Janata Dal of another former prime minister, Vishwanath Pratap Singh, had dropped into a dismal third place in many areas. The Janata Dal is running in a loose alliance with two Communist parties, at least one of whose support seemed shaky.

The Socialist Janata Party of the caretaker prime minister, Chandra Shekhar, seems to have been rejected by voters, reducing Mr. Shekhar's chances of playing any major role in a new government.

At midnight Sunday, the Congress (I) Party had won 37 of 52 seats declared, with the Bharatiya Janata Party winning 14.

Early and still tentative trends showed that the Congress Party was putting in its best showing in the South, where Mr. Gandhi was killed on May 21. But it was losing badly in the heavily populated north and east, especially in the states of Uttar Pradesh, where the Bharatiya Janata was ahead, and West Bengal, where the incumbent Communists were strong.

In the West, Congress was doing well in Maharashtra, possibly because the state's chief minister, Sharad Pawar, is perceived by voters as a potential prime minister of India. This is one state in which the death of Mr. Gandhi has had an effect, not because of a "sympathy vote" but because the late Congress leader and former prime minister

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Ami Kumar/The Associated Press

Congress (I) workers celebrating in New Delhi on Sunday as their party took a lead in early returns.

Aid to Moscow: Benefits for U.S. Would Be Mainly Political

By Thomas L. Friedman
New York Times Service

WASHINGTON — As a debate simmers in Washington over what sort of economic aid the United States should extend to the Soviet Union if it adopts a democratic, free-market system, the question inevitably arises: What is in it for the United States?

The answer from many who favor aid, including economists, members of Congress and administration officials, is that the payoff for the United States — if there is one — will be primarily in political-security terms.

"For the United States, the case for Soviet aid is really a political call, not an economic one," said

With Marxism in ruins, what next for the people of Russia? Page 5.

Robert D. Hormats, vice chairman of Goldman Sachs International and former assistant secretary of state for economic affairs.

"If you really want to get some economic bang for the 30 billion in bucks people are talking about, there would be a lot better way to spend it," Mr. Hormats said. "If the aid works, what you are buying is an economic tranquilizer designed to stabilize a potentially chaotic situation in the Soviet Union, in order to permit a transition to a free market and more democratic confederation of some sort."

To be sure, whether the administration chooses to develop a Soviet economic rescue package will depend primarily on the seriousness of the Soviet Union's own rescue plans, or, as President George Bush said on Friday: "The reforms have got to be detailed a bit more before blank checks are written, and, even then, it would be difficult. We're not rolling in cash."

But Mr. Hormats said the size of any aid program would also depend on "how desperate" the administration believed the political situation in the Soviet Union was, whether it would be in the U.S. national security interests to try to stabilize it and, finally, whether that would be possible to achieve with any amount of money.

Hope for immediate benefits to the U.S. economy would be secondary.

Administration officials acknowledge that the key factor prompting Mr. Bush last week to grant Mr. Gorbachev's request for $1.5 billion in credits to buy American food was a fear that food shortages in the Soviet Union, coupled with political turmoil, might lead the country to implode before any free-market program could be instituted.

Since the Soviet Union occupies a sixth of the world's land mass, possesses 12,000 nuclear warheads, countless conventional weapons and about 50 nuclear reactors, a few billion dollars in credits is deemed a small price to pay for helping to prevent political and economic turmoil, the consequences of which could be global.

"Spending American tax dollars to aid the Soviet economic trans-

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From Pigs, A Blood Substitute

By Philip J. Hilts
New York Times Service

NEW YORK — Using genetic engineering techniques, biologists have created pigs that produce human hemoglobin, the essential oxygen-carrying component of blood.

Experts said the achievement was a milestone in the effort to find a substitute for blood that could be used in all types of transfusions and might offer advantages over the donated blood now used.

A blood substitute could be stored for months instead of weeks, would be free of any risk of human infection and could be transfused into anyone without the need for blood typing and matching.

Officials of a small biotechnology company, DNX Inc. of Princeton, New Jersey, said they had developed three pigs that produce human hemoglobin, the substance in the red blood cells that transports oxygen throughout the body.

When the pigs were day-old embryos, the scientists injected sets of two genes that make human hemoglobin, and now, about 15 percent of their hemoglobin is human.

It is one of a very few times that scientists have put human genes into large animals and had them function successfully.

The company's officials outlined the work Sunday at a scientific meeting in Anaheim, California, and described what they regard as equally important: the discovery of a method of purifying the human hemoglobin produced.

The extracted hemoglobin has not been tried in humans, and might not succeed. But DNX has given research data to the Food and Drug Administration and

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When Cameras Aim at Presidents, No Accidental Faces in the Crowd

By Maureen Dowd
New York Times Service

WASHINGTON — The most august corporate titan, the most diligent bureaucrat, the most self-assured legislator, all turn into panting dervishes at the prospect of getting into the picture with the president of the United States.

Some cultures feared that pictures would steal one's soul. In the culture of power, however, the fear is that not being in the picture will steal your status.

Getting "face time," as insinuating your way into a photograph with the president is known, is one of Washington's highest art forms.

Proximity to the chief executive — in a motorcade, helicopter or meeting — conveys the appearance of access. And in politics, of course, appearance is often preferable to reality.

White House photographers and advance men, accustomed to watching the maniacal maneuvering to get into the shot, have developed their own code language for masters of the art.

"Velcroids" are officials who form a Velcro-like attachment to President George Bush at an event in Washington or on the road, sticking to him everywhere he goes in the hope of turning up next to him in newspapers or on television.

"Velcrosis" is the malady from which Velcroids suffer.

"Limo bait" is a time-honored trick used by local politicians when Mr. Bush visits their towns.

A Velcroid will come up to Mr. Bush as he climbs into his limousine. He will begin telling the president something he needs to know about the scheduled event, hoping that Mr. Bush will invite him into the car to finish the conversation, since pictures taken with the president in his limousine are exceptionally prestigious trophies.

The champion in the art of photo proximity was Helmut Sonnenfeldt, a senior staff official at the National Security Council in the Nixon and Ford administrations.

Officials who worked with him still speak of Mr. Sonnenfeldt with awe, noting that he was so deft at squeezing into pictures, and so willing to spend the time necessary until he could scurry into the shot at the last minute, that the Secret Service nicknamed him "the ferret."

President Gerald R. Ford became so accustomed to having Mr. Sonnenfeldt in the background that when he was not present Mr. Ford would jokingly ask, "Where's Hal?"

Now a guest scholar at the Brookings Institution, Mr. Sonnenfeldt said that positioning could provide a career-boosting optical illusion.

"If the cameras are at the end of the table for a picture down the line of a delegation meeting, the thing to do is lean forward," he said.

"Then you cover the face of the three other people between you and the president, usually more senior officials like the secretary of state and the national security adviser, and it makes you appear to be sitting right next to the president. But you can't lean forward so far that you obscure the president."

A variation on the "limo bait" routine is often used by White House staff members, who rush up to the president with an important-looking piece of paper just as Mr. Bush arrives at the White House by car or helicopter, an event recorded by a battery of cameras.

During the Gulf war, Richard N. Haass, a

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Dresden's Neo-Nazis: A March From Stability to Upheaval

Hansi Krause/The Associated Press

Demonstrators displaying the Nazi salute at a neo-Nazi march in Dresden. The march was a memorial for Rainer Sonntag, the neo-Nazi leader who was killed May 31.

2,000 Join Memorial for Slain Leader

By Marc Fisher
Washington Post Service

DRESDEN — Two years ago, Peter was an East German high school student with a certain future — a construction job waiting for him, a lifetime of security. He did not like the system, but he knew it.

During the weekend, Peter, 17, dressed in black shirt, jeans and heavy black boots, with a Nazi SS pin on his lapel, joined nearly 2,000 mostly teenage neo-Nazis in a march through central Dresden. It was the largest public display of rightist extremism since the East German regime was overthrown in 1989.

The marchers chanted "Sieg Heil!" and held their arms straight and high in the Nazi salute. Some had shaved heads and wore Adolf Hitler mustaches, tattoos and T-shirts emblazoned with a map of "Greater Germany," including much of what is now Poland. Some wore white shirts and black ties, with swastika patches sewn discreetly onto their jackets. The Nazi symbol is illegal in Germany.

These are a few of the children of sudden, shocking change in this city of nearly 600,000 people. In many, if not most cases, their parents have lost their jobs in the turbulent transition from communism to a market economy in what was East Germany. Their own futures are unclear.

"We want a clean Germany," Peter said. "Every German will get work. Foreigners out. We honor the SS because they made Germany clean — from Jews, Russians, enemies of Germany, people who think differently. Now we have enemies — the leftists, faggots, foreigners. We have to clean up."

The demonstration Saturday was ostensibly a memorial march for the neo-Nazis' fallen leader, Rainer Sonntag, 36, who had organized a violent crusade against prostitutes and "foreign criminals" in Dresden. Mr. Sonntag was shot and killed on May 31 after he led about 60 young neo-Nazis in a street brawl with pimps outside a brothel.

The police in Bangkok arrested two west Germans on Wednesday and charged them with the murder.

Mr. Sonntag's followers in several east German cities sought permission to honor their leader publicly. Leipzig would not let them march, but Dresden police assented, despite the visit of the Canadian prime minister, Brian Mulroney, to the city on Saturday.

At least 2,000 policemen, including special anti-riot units from the western part of Germany and the paramilitary border patrol, lined the streets, stood atop buildings along the march route and searched many youths for weapons.

Along the march route and throughout the city, residents wondered and worried about the extremists among their children.

"After 40 years of totalitarianism and 12 years of Nazism, these young people go out and do these things," said Christel Jaeger, who spent the afternoon walking with her family around Dresden's palaces and museums, which were heavily damaged by war but are still beautiful. "There are even murders here now. The changes came too suddenly."

Ms. Jaeger's mother compared the marchers with the young people she saw parading through Dresden's streets in the early 1930s. They too held their arms high in salute and said they were proud to be German, she recalled.

"We had so much unemployment then," the mother said. "And Hitler, he built the highways and there were so many jobs, so he won supporters. Only after two or three years did people realize the negative side, and then it was too late."

Many Germans, no matter how much they dislike the new radicalism, said it was not right to compare these teenagers with the rise of the Nazis. Hitler's movement, they argue, was a political party, a group of adults whose program won support from a desperate populace.

"These are just young people," said a 78-year-old woman who came out to watch the march. "It's peer pressure. They'll stop when they're adults. One says something, and the others follow."

The neo-Nazi groups, which have been deeply infiltrated by the police and whose active membership is believed to number from 2,000 to 5,000, are generally led by West Germans in their 30s. The leader of the West German neo-Nazi movement, Michael Kuhnen, died of AIDS this spring.

One of the leaders who has emerged since, Siggy Borchardt, 38, of Dortmund, said his Free German Workers Party is a "nationalist, socialist party that believes in environmental protection, foreigners out and a united Germany."

Mr. Borchardt said he considered German reunification a partial measure and longed for the day when parts of Poland that were once German would again be put under German rule.

Post-Thatcher U.K. Has a Key EC Role, Howe Says

Sir Geoffrey Howe, the former British foreign secretary, whose resignation from the cabinet provoked the fall of Prime Minister Margaret Thatcher in November, discussed the issue that led to that crisis — Britain's relationship with Europe — with Barry James of the International Herald Tribune.

Q. Is the European Community's single market going to work?

A. Yes. I am very positive about the Community's prospects. I think it is a unique, marvelous, unpredictable invention. The phrase "ever closer union" in the Treaty of Rome describes a process and not a destination. And I think that the 1992 concept of a single market is also a process and not an event. Now Europe is assuming an additional different dimension as a result of the disintegration of the Warsaw Pact.

Q. Don't you fear that this opening to the East will dilute the European ideal by making the process of integration too difficult to manage?

A. It could carry that risk. Some people have tended to see the prospect of additional membership as a means of checking the European train. I do not think that it does or that it should. We need to get ahead with the current process of integration but broaden it at the same time to make it flexible enough to accommodate additional members.

Q. What is the advantage of such a broadening?

A. The key achievement of the EC has been to tame and curb nationalism, which has destroyed Europe so often over the centuries, while maintaining the legitimacy of patriotism. Our East European cousins are demonstrating, as freedom arrives, that nationalism is still a hazard. Balkanization is manifesting itself again, and we have to take great care to remember that this is a disease that is not necessarily confined to the Balkans.

Q. How fundamentally has British thinking about Europe changed since the change of government?

A. Margaret Thatcher's departure has signaled a reestablishment of the central British position, as it has been worked out over the past two or three decades — that is

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that we can not afford to be isolated from Europe, because to do so would risk losing influence, not just in Europe, but in Washington and elsewhere as well. In the last year or two of Margaret Thatcher's premiership there were signs that we were proceeding to hold back from that. Our reluctance to join the exchange rate mechanism and to become full participants in the process of monetary union was a consequence.

Q. How do you rate the present government's performance?

A. Good. I think it is handling that particular issue very well.

Q. It used to be said that Britain was the economic sick man of Europe. Now it is being described in the same way because of its educational shortcomings. Is Britain lagging in technology and education?

A. Part of the problem of our education system springs from the writings of people like William Blake, who contrasted the dark, satanic mills with England's green and pleasant land. There has been a kind of cultural gap between out educationalists, who want to remain green and pleasant, and our entrepreneur-industrialists, who work in dark, satanic mills. We are bridging that gap now, finally. It is a long, long, deep-seated process.

Q. Doesn't competition with Japan and the United States demand a tremendous upgrading of skills and talents?

A. Of course it does. But the United States has its own problems of the same kind. The Japanese don't devote a larger proportion of their GNP to education, but they do devote more dedication and commitment. It is very important that we should bridge the gap, and it is very difficult, because if a society is ahead, as Japan is ahead technologically, then it is constantly more difficult to catch up.

•

Q. The U.S. military commitment to Europe is bound to diminish. Does that worry you?

A. I was making speeches some years ago, urging Europe to get its defense act together and commending the Western European Union as the vehicle for doing that. I emphasized then as I emphasize now that this is not designed to discourage the American commitment to Europe, but to recognize that the commitment may well become less if the threat becomes less. The threat has become less. If we are to retain the degree of American presence necessary, then Europe does need to show it is doing everything it can on its own behalf.

Q. In what way?

A. The Iraqi invasion of Kuwait underlines the need very strongly. Europe as a whole did not respond impressively to the initial alarm bells there. Britain led the way in the European response. So it appears that Britain is actually the most articulate advocate of a stronger European foreign policy. We would not want such a policy to be the least active representation of European capability.

Q. Do you remain on good personal terms with Mrs. Thatcher?

A. We haven't seen a great deal of each other since we ceased to be in government together. So it's not a question that has really arisen in practice.

Tories Fear Thatcher, in U.S., May Undercut Europe Policy

United Press International

LONDON — With the governing Conservative Party trailing in opinion polls, party members were uneasy on Sunday over a speech in the United States by former Prime Minister Margaret Thatcher that could cause problems for the government.

Mrs. Thatcher was to address the Chicago Council of Foreign Relations on Monday. There were fears among Conservatives that she would take the opportunity to criticize the British government's increasingly pro-European unity stance and seriously threaten a fragile truce on the issue.

While she was prime minister, Mrs. Thatcher resolutely fought any lessening of British sovereignty in the pursuit of European integration, especially the introduction of a common European currency.

The European issue and the subsequent rift within the Conservative Party led to Mrs. Thatcher's ouster in November.

Her successor, John Major, has worked hard to distance himself from Mrs. Thatcher's resistance to European unity, saying he wants to put Britain at the heart of Europe.

But as his government's popularity slips, Mr. Major is struggling to contain the hard-liners who support Mrs. Thatcher.

On Friday, he launched a counterattack on the hard-liners, saying in a speech that he wanted to lead the talks on a common European currency and on a treaty on economic and monetary union that would be "practicable and workable."

Eritrean Rebels' New Struggle: Learning to Govern

By Jane Perlez
New York Times Service

ASMARA, Ethiopia — When this city of palm-fringed boulevards fell to Eritrean rebel forces on May 24 after a three-month siege, its residents began celebrations that have yet to die down.

Electric power and water were restored, the curfew was lifted and happy throngs returned to the late-night cafés that had been a notable feature of a cosmopolitan social life before Asmara became a battle zone.

The 120,000-member Ethiopian Army garrison here was regarded as a brutal occupying force, and its defeat was all the more pleasing to Asmarans because many of the guerrillas were sons and daughters of local people.

Young guerrillas can be seen promenading around Asmara, arm in arm with their families, reunited after separations of a decade or more.

The reception was in marked contrast to the nervous welcome given another group of rebels who captured Addis Ababa, the Ethiopian capital, a few days later.

Unlike the ethnic Tigreans now in control in Amhara-populated Addis Ababa, the guerrillas in Asmara are indigenous, and it was the Amhara-dominated army that was the alien force.

The winner in Asmara is the Eritrean People's Liberation Front, a fiercely nationalist movement that has fought for three decades to sever Eritrea, the country's northernmost province, from Ethiopia and proclaim an independent nation.

The Front says it has about 95,000 fighters, but whatever its strength, it is generally considered the best armed and disciplined guerrilla group in Africa.

Its capture of Asmara, the provincial capital, and of the port of Aseb left the Front in control of the entire province.

The Eritreans' triumph is the first of its kind by a guerrilla movement in Africa acting without military help from the superpowers.

The bulk of the Eritrean Front's wide variety of weapons were captured from the Ethiopian Army, which until recently was abundantly supplied by the Soviet Union.

But three weeks after the rebel victory, Asmara, a city of 450,000, and the rest of the province of 3 million, according to Eritrean population estimates, remain virtually cut off from the outside world. Most international telephone and telex lines are not functioning, and the airport is shut.

That appears, in large part, to be a decision of the leaders of the Eritrean Front as they try to make the difficult adjustment from years in the bush to the unfamiliarity of the capital and the rest of the world, and from guerrilla warfare to the formation of the provisional government they have promised.

The Front's security and intelligence chief, Petros Solomon, who was running the city until the arrival of its leader, Issaias Afewerki, alluded to the problem recently.

"From the caves to this!" he said with astonishment in the chandeliered office of the former governor as he looked out at an elegant skyline of domes, spires and Roman architecture.

Representatives of the few aid agencies here say that the cutoff of communications — they have been refused use of their radio telephones — means delays in food for a rural population threatened with starvation from war and drought.

The welfare of more than 60,000 prisoners of war is another urgent problem that could benefit from international assistance, they say.

But isolation and self-reliance have been principles of the Front since it emerged as the strongest of the rebel groups fighting for the independence of Eritrea in the 1970s.

The group contends that Eritrea, which occupies the Red Sea coast from the Sudan to Djibouti, has never been part of Ethiopia.

It was once colonized by the Italians, whose influence can be felt everywhere from pasta to fashion, and the Eritrean Front insists that the region was unfairly handed over to Ethiopia in 1952 by the British, who had seized the territory from the Italians during World War II.

A decade later, Emperor Haile Selassie absorbed Eritrea into a unified Ethiopia.

The new administration in Addis Ababa, the Ethiopian People's Revolutionary Democratic Front, is the first in Ethiopia to agree in principle to the demand of Eritreans for a United Nations-sponsored provincial referendum, which the Front is confident will result in the independence of Eritrea.

After the Eritrean Front captured Asmara three weeks ago, the United States said for the first time that it supported the right of Eritrea to self-determination.

But U.S. officials, worried about the precedent of a breakaway state in Africa, say they would prefer Eritrea, with its 970 kilometers (600 miles) of Red Sea coastline, to remain a part of Ethiopia in some kind of loose confederation.

An independent Eritrea would leave Ethiopia landlocked.

WORLD BRIEFS

Trump Reaches Deal With Creditors

NEW YORK (Reuters) — Donald Trump and his creditors worked out a vital restructuring deal Sunday for one of Mr. Trump's casinos, but the agreement forces him to give up more control over his empire, a source close to Mr. Trump said.

Facing a Monday deadline, Mr. Trump had been in talks with creditors at his Trump Castle Casino in Atlantic City, New Jersey, for a restructuring of his debt. He needed cash to make a $41 million payment on the $351.8 million in bonds outstanding.

"Everything is all set, we've worked a deal on the Castle," the source said. He said the deal was similar to the debt-for-equity swap worked out in April for Mr. Trump's Taj Mahal casino complex in Atlantic City. In that deal, Mr. Trump persuaded his creditors to take a 50 percent share of the property in exchange for bonds, forcing him to give up control of one of his flagship properties. On Friday, he made a $16.5 million payment on the Trump Plaza Casino with cash generated from its operations.

Turkish Prime Minister Steps Down

ANKARA (AP) — Prime Minister Yildirim Akbulut resigned Sunday after being ousted from the chairmanship of the governing Motherland Party, apparently with the support of President Turgut Ozal.

The center-right party chose former Foreign Minister Mesut Yilmaz as its new leader by a vote of 631 to 523 on Saturday, putting him in line for the prime minister's post. The president asked Mr. Akbulut to stay on until a new prime minister was appointed.

Mr. Ozal had declared himself neutral in the leadership race, but the Turkish press said that he and his influential wife, Semra, quietly backed Mr. Yilmaz, who has described Mr. Ozal as Turkey's "natural and permanent leader."

Italy Sends Home Albanian Refugees

ROME (AP) — The Italian government sent home more than 400 Albanian asylum-seekers on Sunday.

The prospective refugees were put aboard two ferries in the Adriatic ports of Ravenna and Ancona. The ferries headed for the Albanian port of Durres under escort from an Italian warship.

About 250 more refugees who arrived in Italian ports in recent days are to be sent back. Foreign Minister Gianni De Michelis, who visited Albania last week, said he had received assurances that those who returned would not be punished.

For the Record

Protestant and Roman Catholic politicians are due to sit down at a negotiating table on Monday for the first time in 17 years to seek peace in Ulster. *(Reuters)*

Guatemala's government and the leftist rebels open formal peace negotiations in Mexico on Monday. *(Reuters)*

TRAVEL UPDATE

Alaska Airlines, which is based in Seattle, is to begin regular service on Monday from the West Coast, via Anchorage, to the cities of Magadan and Khabarovsk in the Soviet Far East. *(AP)*

Korean Air and Asiana Airlines, the two South Korean commercial carriers, will be allowed to fly to two U.S. cities beginning in April 1992 and four more cities beginning in July 1994, under an accord signed Friday in Washington. Korean Air now serves Honolulu, Los Angeles and New York; Asiana has no flights to the United States. Under the accord, the carriers will be able to serve Atlanta, Chicago, Dallas, San Francisco, Seattle and Washington. *(AFP)*

Tower Air is to increase the frequency of its Paris-New York service from two flights a week to four, sources said Sunday. The carrier, which operates Friday and Sunday flights, will add a third flight, beginning Monday, and a fourth, on Tuesdays, beginning July 1. *(AFP)*

Anti-crime security is being tightened at the international Sheremetyevo-2 Airport in Moscow, according to the daily Komsomolskaya Pravda. Media reports say luggage thievery is common at the airport, and that foreigners are sometimes robbed by bogus taxi drivers. *(Reuters)*

The Senegalese airline African West Air is to open air routes linking Dakar with Rio de Janeiro and Lisbon, beginning July 28. *(Reuters)*

This Week's Holidays

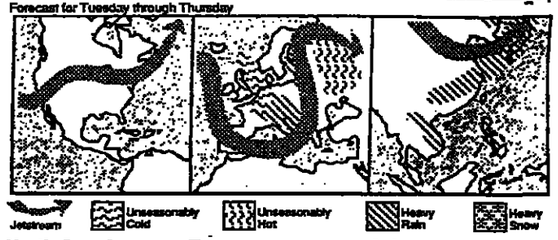
Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Gibraltar, Hong Kong, Iceland, Macao.
TUESDAY: Egypt, Hong Kong, Macao, Taiwan.
WEDNESDAY: Algeria, Uruguay.
SATURDAY: Finland, Sweden, Yemen.
SUNDAY: Bangladesh, Indonesia, Singapore.

Source: J.P. Morgan, Reuters.

The Weather

Forecast for Tuesday through Thursday



North America
A belt of very warm to hot and mainly dry weather will stretch from the Eastern Seaboard to the Great Plains Tuesday through Thursday. A few thunderstorms will dot the South, and showers will occur in central Mexico. California will be dry.

Europe
A broad region of damp, cool weather will be centered over Northwest Europe Tuesday through Thursday. Heavy rain is possible from the Alps to the Adriatic shore, and east of the Baltic Sea. The heart of Russia will be unusually hot.

Asia
From central China to Japan, June is the height of the rainy season. From Shanghai to Tokyo, and in parts of Southeast Asia, rain will fall in downpours from time to time Tuesday through Thursday. Seoul and Beijing will be dry much of the time.

Europe

	Today High C/F	Today Low Wx C/F	Tomorrow High C/F	Tomorrow Low Wx C/F
Algarve	28/83	18/65 s	30/86	18/65 s
Amsterdam	18/64	10/50 c	17/62	10/50 c
Athens	27/80	18/64 s	25/77	18/61 pc
Barcelona	30/86	17/62 s	28/82	17/62 pc
Belgrade	26/79	15/59 pc	24/75	13/56 sh
Berlin	17/63	9/48 sh	16/61	8/46 sh
Brussels	17/63	9/48 c	17/63	9/48 c
Budapest	18/65	10/50 sh	17/63	11/51 r
Copenhagen	18/64	12/54 sh	18/65	11/51 sh
Costa Del Sol	32/90	14/57 s	34/93	16/60 s
Dublin	16/61	11/51 pc	19/66	10/50 pc
Edinburgh	15/59	8/46 c	16/61	8/46 c
Florence	23/73	13/55 t	21/70	12/53 sh
Frankfurt	18/65	9/48 sh	17/63	9/48 pc
Geneva	19/66	9/48 c	18/64	10/50 c
Helsinki	22/72	11/51 pc	18/65	10/50 c
Las Palmas	26/78	19/66 pc	26/78	18/64 pc
Leningrad	23/74	12/53 pc	19/66	9/48 c
Lisbon	27/80	18/64 pc	29/85	19/66 s
London	16/61	8/46 sh	17/63	8/46 pc
Madrid	28/82	13/55 s	24/76	10/50 pc
Milan	21/70	11/52 r	19/67	10/50 c
Moscow	26/78	16/61 pc	22/72	11/51 c
Munich	17/62	9/48 sh	17/62	11/51 c
Nice	22/72	12/54 pc	20/68	11/52 pc
Oslo	16/65	10/50 sh	18/65	10/50 c
Paris	16/61	9/48 c	16/61	8/47 c
Prague	17/63	9/48 t	16/61	10/50 sh
Reykjavik	16/61	10/50 pc	13/58	9/48 pc
Rome	24/75	15/59 t	21/70	13/56 c
Stockholm	18/60	10/50 sh	14/58	9/48 sh
Strasbourg	17/63	9/48 c	18/65	9/48 c
Venice	22/72	12/53 sh	21/70	13/55 sh
Vienna	17/63	9/48 t	14/58	10/50 r
Warsaw	18/65	9/48 sh	17/63	7/45 sh
Zurich	19/66	9/48 sh	17/63	9/48 c

Middle East

Ankara	23/74	13/55 pc	24/75	11/52 pc
Beirut	28/82	15/59 s	28/82	16/60 s
Cairo	30/86	18/65 s	33/91	20/68 s
Damascus	29/84	14/57 s	28/82	15/59 s
Istanbul	24/75	16/60 pc	24/76	17/63 pc
Jerusalem	30/86	17/62 s	30/86	16/60 s
Riyadh	42/108	27/80 s	42/108	27/81 s

Oceania

Auckland	16/60	12/53 pc	18/64	14/58 sh
Sydney	19/66	8/47 pc	18/65	9/48 sh

Asia

	Today High C/F	Today Low Wx C/F	Tomorrow High C/F	Tomorrow Low Wx C/F
Bangkok	32/90	25/77 t	33/91	26/78 pc
Beijing	23/74	17/63 pc	24/75	16/64 pc
Hong Kong	32/90	23/74 t	32/89	23/74 sh
Manila	34/93	25/77 sh	34/94	25/77 pc
New Delhi	38/100	24/75 s	38/101	24/76 s
Seoul	22/72	16/60 t	21/70	19/66 sh
Shanghai	24/75	19/67 r	27/81	18/66 pc
Singapore	32/90	23/74 t	32/89	24/76 pc
Taipei	32/90	23/73 c	33/91	23/73 sh
Tokyo	24/76	20/68 sh	26/78	20/68 c

Africa

Algiers	25/77	16/60 pc	23/73	16/61 c
Cape Town	19/66	11/52 pc	19/66	12/53 pc
Casablanca	32/90	14/58 pc	33/91	16/60 pc
Harare	28/82	18/65 pc	28/82	18/65 pc
Lagos	37/98	25/77 t	38/100	26/78 pc
Nairobi	22/72	14/58 pc	23/72	15/59 pc
Tunis	28/82	19/67 t	28/83	20/68 pc

Latin America

Buenos Aires	17/62	8/46 pc	18/65	5/41 s
Caracas	27/80	23/73 pc	27/81	23/74 pc
Lima	22/71	19/61 pc	21/70	17/63 s
Mexico City	24/75	13/56 t	26/79	14/57 pc
Rio de Janeiro	29/85	19/66 c	30/86	19/67 pc

North America

Anchorage	16/60	8/46 pc	14/57	7/44 c
Atlanta	31/88	21/69 t	32/89	22/71 t
Boston	24/76	18/64 pc	27/80	17/63 pc
Chicago	30/86	14/58 s	28/82	15/60 s
Denver	31/87	14/57 t	29/85	14/57 s
Detroit	29/84	15/59 s	28/83	18/64 s
Honolulu	29/85	24/75 pc	31/87	23/73 pc
Houston	34/93	23/73 t	33/92	23/74 t
Los Angeles	26/78	16/60 s	22/72	15/59 pc
Miami	32/90	24/76 pc	33/91	25/77 t
Minneapolis	31/87	18/64 s	29/84	18/65 s
Montreal	24/76	14/58 sh	25/77	13/55 pc
Nassau	33/92	21/70 pc	33/92	22/71 pc
New York	31/88	19/67 pc	29/84	21/69 pc
Phoenix	42/108	27/80 s	41/105	26/78 s
San Fran.	23/74	11/51 pc	21/69	11/51 pc
Seattle	19/67	10/50 pc	21/70	11/52 pc
Toronto	26/79	14/57 pc	27/81	15/59 s
Washington	31/88	22/72 pc	29/85	21/69 s

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, s-snow, i-ice

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BRIEFS

With Creditors

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Iranian Refugee

PRIVATE

Luke Frazza/Agence France-Presse

President Bush and a former president, Ronald Reagan, inspecting a California fairway as they start a round of golf.

Bush Would 'Welcome' Iran Hostage Inquiry

New York Times Service

LOS ANGELES — President George Bush said that he would "welcome" an investigation by Congress of allegations that the 1980 Reagan-Bush campaign staff tried to stall the release of the U.S. hostages in Iran to help defeat President Jimmy Carter at the polls.

Mr. Bush said in a weekend television interview that he would not try to block such an investigation, which eight of the former hostages this week urged Congress to undertake. Preliminary enquiries have begun.

But, reflecting apparent mixed feelings about an investigation that would probably prove troublesome even if his name were cleared, Mr. Bush said he did not believe a congressional inquiry was warranted unless lawmakers uncovered more concrete evidence.

He and and former President Ronald Reagan have denied the charges.

Zachary Taylor's Death: Was It Poison?

By Michel Marriott
New York Times Service

NEW YORK — With tweezers and scissors in hand, the county coroner in Louisville, Kentucky, plans to peer into the crypt of Zachary Taylor, the 12th president of the United States, and comb the old general's remains for clues about his sudden illness and rapid death almost 141 years ago.

The cause of death, diagnosed at the time as cholera moribus, or gastroenteritis, may well have been arsenic poisoning, says Clara Rising, a Florida-based author who has been doing research for a book about General Taylor.

A substantial portion of her work is examining whether General Taylor, not Abraham Lincoln, was the first American president to be assassinated.

For months, Ms. Rising has been pursuing answers to questions about General Taylor's death that almost no one was asking when he died on July 9, 1850.

A majority of historians have been satisfied with the explanation of the day: The president, who had been in office 16 months, overtaxed himself at a celebration when the cornerstone of the Washington Monument was laid on a particularly hot Fourth of July. After he became ill from consuming large quantities of iced cherries and ice milk at the event, doctors worsened the 65-year-old president's condition with odd concoctions that hastened his death five days later.

After hearing speculation that General Taylor could have been assassinated, Ms. Rising talked with a pathologist who said the president's quick death from an intestinal disorder was consistent with arsenic poisoning.

An autopsy on America's 12th president could reveal whether he was murdered, or really sick on iced milk and cherries.

The process by which Ms. Rising obtained permission for a new examination was relatively simple.

She presented the theory to the coroner, Dr. Richard Greathouse, who agreed it was worth exhuming the body for tests. Ms. Rising is to pay for the exhumation, which will cost at least $1,200.

The last step was winning permission from the Department of Veterans Affairs, which runs the national cemetery where General Taylor is buried. That permission came Friday from an official who said that requests from coroners to exhume bodies are routinely granted, although he said he could not remember another request to exhume the body of a president.

There is nothing pointing to a particular suspect or motivation, but the president was in the middle of many disputes over slavery and possible secession of the South at a time when the issue led to fistfights on the floor of Congress.

A slave owner and Southerner who was born in Virginia and reared in Louisville, General Taylor took positions often perceived as threatening to the South, including support for the admission of California to the union as a free state, which took place two months after his death.

As a career soldier, General Taylor was a nationalist and did not tolerate serious talk of secession, said Eugene D. Genovese of the University Center of Georgia. Mr. Genovese, a specialist on that period of American history, said speculation about the political circumstances of the era suggest that an assassin would be likely to be a pro-slavery Southerner. Yet, he said, he says even that possibility "strikes me as way out."

He continued: "For the life of me, I can't imagine any Southern personalities who would have been involved in such a conspiracy. But there is always the possibility that there were some nuts who had access to him and did it."

General Taylor was replaced by his vice president, Millard Fillmore, a Northerner sympathetic to the South. He helped to fashion the Compromise of 1850, which General Taylor had opposed.

On Monday, Dr. Greathouse, flanked by observers from the U.S. Department of Veterans Affairs, is scheduled to open the simple stone tomb holding the bodies of General Taylor and his wife, Margaret.

Anything from small samples of General Taylor's hair, fingernails and possibly bones to all of the remains could be removed and tested for traces of poisons, said Dr. Greathouse.

"We are going to determine if he was poisoned by arsenic or some other similar poison," Dr. Greathouse said. "We don't know what we are going to find when we open that casket."

AMERICAN TOPICS

AIDS in Decline? Data May Lie

Figures appear to show the AIDS epidemic has reached its peak and could decline, but the figures may be deceiving, The Washington Post reports. One expert says that people who ordinarily would have gotten AIDS, because they are infected with the HIV virus, are getting new drugs that postpone the onset of illness.

An analysis by Peter Plumley, a Chicago actuary, of public data provided by the U.S. Centers for Disease Control, concludes that the number of reported AIDS cases declined "dramatically" from the first half of 1990 to the second, then dropped again about 17 percent in the first quarter of this year.

The study concluded that the number of new AIDS cases reported annually had fallen to about 40,000 a year, far fewer than the 55,000 to 70,000 forecast in earlier projections.

But a spokesman at CDC's Atlanta headquarters said the agency "does not have any evidence that AIDS is going away."

Sten Vermund, chief of epidemiology at the AIDS branch of National Institute of Allergy and Infectious Diseases, said, "People who ordinarily would have gotten AIDS and who are infected with the HIV virus" are getting powerful drugs that hold back the disease much longer, causing a seeming decline in the number of new cases.

"Nonetheless, we're not curing these people and they have not become immune," he said. "They are still infected and still likely to die. The drugs have only delayed their time in getting AIDS."

About People

Esther Williams, former swimming star of films, was to be guest of honor at a charity event at the Los Angeles Country Club. But she was wearing slacks, and when she declined to slip into one of the skirts the club keeps on hand for transgressors of its dress code, she was asked to leave. She said she was considering a lawsuit. Her son, Ben Gage, is a San Diego attorney. Miss Williams, 67, was not exactly wearing ripped blue jeans and a tank top. She had on an Oscar de la Renta outfit of black silk evening slacks and a multicolored brocade jacket. She said, "I don't even think we should let our husbands tell us what to wear, much less strangers."

People are now going "food shopping" instead of "grocery shopping," the syndicated columnist Mary McGrory reports, and she wonders if some mysterious "Trend Central" told them to say "food" instead of "grocery." Perhaps, she said, "they subscribe to a service that puts out the word, like the one that made everybody say 'hopefully.' I figure they are behind the widespread use of 'no problem,' which is replacing 'yes' " and is "a kind of putdown, as if the questioner had been neurotically summoning up a difficulty where none existed."

There will soon be more Checker cabs in museums than on the streets. The big, boxy cab offered jump seats and plenty of room for long legs and high hats, but was costly to buy and to run. The last one was made in 1982. Of 11,000 taxis in New York, only 11 Checkers remain. Once the Big Town had 3,000 of them.

Sports Shorts: Tiger Stadium in Detroit is on the National Trust for Historic Preservation's annual list of endangered places. The baseball team's management has been talking about following the city's professional football and basketball teams out to the suburbs. ● Drake University's basketball coach, Rudy Washington, has identical twin recruits, Brent and Brett Sherrill. "When I talk to one of them," the coach says, "I just call him 'Twin.' "

Arthur Higbee

Speech Fees Fall for U.S. Lawmakers

New York Times Service

WASHINGTON — Members of the House and Senate, under attack for connections to special interests, reported significant declines in the speaking fees they accepted last year from corporations and other groups affected by legislation.

The annual disclosure reports showed that in 1990, the last year that House members legally permitted themselves to take speaking fees, they collected a total of $5.6 million, a computer-aided analysis by The New York Times shows. That is a decline of close to $1 million, or nearly 13 percent, from the previous year.

Sixty-four senators accepted $2 million last year in payments for speaking engagements. That, too, was a dip from 1989, when senators took in more than $2.7 million, a drop of about 25 percent.

Senator Ernest F. Hollings, Democrat of South Carolina and chairman of the Commerce Committee, led the Senate in speaking fees, taking in $82,200. He had to give away $55,212 to charity, and he did. Senator Alan K. Simpson of Wyoming, the Republican whip, ranked second, accepting $78,900 and giving $51,967 to charity.

Third was Bob Dole, the Senate Republican leader. He got $78,100 for 43 speeches and three newspaper articles, and kept $30,400.

Sununu Defends Using Government Transport

The Associated Press

WASHINGTON — The White House chief of staff on Sunday defended his use of a limousine and driver to take him to a rare-stamp auction in New York last week. "The White House counsel said that travel was both proper and appropriate," John Sununu said on an ABC-TV broadcast.

After being rebuked last month for using military aircraft for personal trips, the White House adopted a policy requiring Mr. Sununu to get approval in advance for trips that mix official business and personal or political travel.

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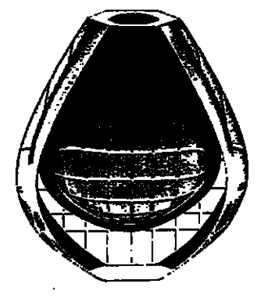

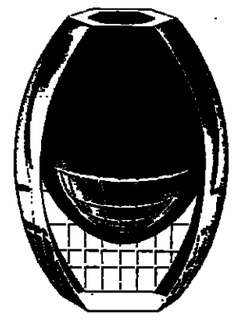

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Chandler, Ex-Baseball Chief, Dies at 92

By Robert McG. Thomas Jr.
New York Times Service

A. B. (Happy) Chandler, 92, the jovial Kentuckian who resigned from the U.S. Senate in 1945 to succeed Kenesaw Mountain Landis in what turned out to be a momentous term as the second commissioner of baseball, died of a heart attack Saturday at his home in Versailles, Kentucky.

In a political career that began in 1929 and continued in back rooms and public office for the rest of his life, Albert Benjamin Chandler served two terms as Kentucky's governor and parts of two terms as a U.S. senator.

Along the way he was credited with modernizing his state's government, repealing a sales tax that he regarded as burdensome to the poor and championing the welare of impoverished rural residents and the rights of blacks.

As commissioner of baseball, he brushed aside strong opposition of a majority of owners to clear the way for Jackie Robinson to break the sport's major-league color line in 1947.

He also pushed for a variety of measures favorable to players, including the establishment of the first pension fund, and extended and strengthened the campaign against gambling that had been the hallmark of the tenure of his predecessor.

In what was seen at the time as his most decisive act, he suspended Leo Durocher as the manager of the Brooklyn Dodgers for the 1947 season for "the accumulation of unpleasant incidents," culminating in a public dispute in which Mr. Durocher accused New York Yankee executives of entertaining the very gamblers he had been ordered to shun.

In the end, Mr. Chandler proved so independent of the owners who had unanimously elected him that he lost the support he needed for a second term. He was replaced in 1951 by Ford Frick.

Mr. Chandler returned to Kentucky politics and won a second term as governor, from 1955 to 1959.

Vladimir Petrov, 84, Spy Who Defected in Australia

MELBOURNE (Reuters) — Vladimir Petrov, 84, the former Soviet spy whose defection in 1954 caused an uproar, died Friday after a long stay at a geriatric hospital here.

Mr. Petrov had been a third secretary at the Soviet Embassy in Canberra. On April 13, 1954, Sir Robert Menzies, the Liberal prime minister, announced the defection and the establishment of a commission to investigate Soviet espionage activities in Australia. The next day he dissolved Parliament and called an election.

Shortly before the election, Mr. Petrov told the commission that a spy network was operating in Australia and that aides of the leader of the opposition Labor Party had given information to the Soviet Union. Labor, which had been leading opinion polls, lost the election by seven seats.

■ *Other Deaths:*

Jerome A. Urban, 77, a noted surgeon and a specialist in the diagnosis and surgical treatment of breast cancer, of a stroke Thursday in New York.

John H. Greene, 45, the chief operating officer and executive vice president of Outward Bound U.S.A., of a heart attack Thursday in Loch Eil, Scotland, while hiking with a group of magazine publishers.

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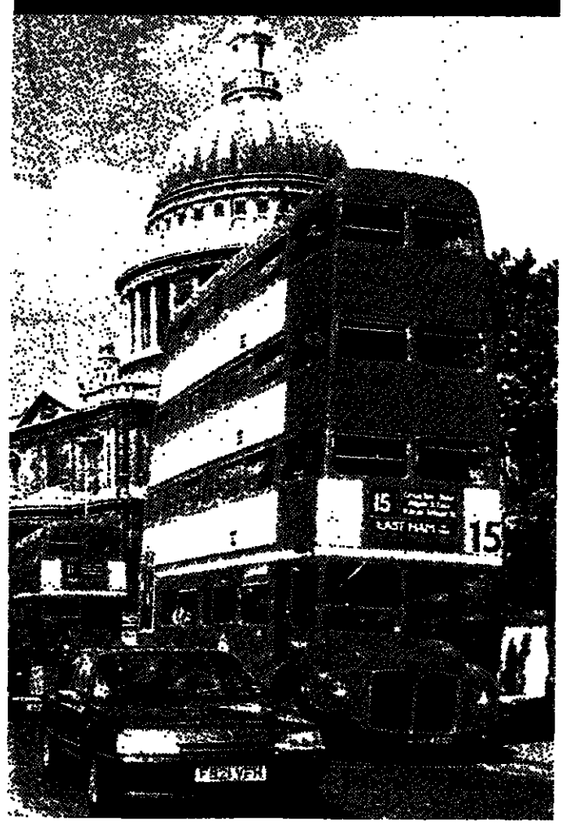

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OPINION

Disarming à la française

Among the major consequences of the Gulf war is a reawakening of interest around the world in prudent regional arms control. All the countries that had been selling arms to Iraq were suddenly reminded of the speed with which those profitable exports could be turned in directions other than those the vendors expected. The French in particular were outraged during the fighting to find that their troops were under fire from the weapons that France had sold to Iraq. (Compounding French outrage, the Iraqis haven't paid for them.)

Last month President George Bush announced his plan for arms control and disarmament in the Middle East. Now President François Mitterrand has offered a broader concept, consistent with Mr. Bush's but intended to be worldwide in scope. As a first step, to demonstrate that it is serious, France will at last sign the Nuclear Nonproliferation Treaty, which tries to control the spread of nuclear weapons.

For 23 years it has refused to sign the treaty, in keeping with the late Charles de Gaulle's conviction that France must never permit any international interference with its defense. It was purely a matter of principle, the French said, and they would conduct themselves as though they had signed. But the French refusal gave cover to other countries that also declined to sign. In that respect, the French signature will be a useful contribution to the international effort to hold down the number of nuclear weapons in the world. Of the countries that acknowledge the possession of nuclear weapons, only China still refuses to sign the treaty.

It was France that supplied Iraq with most of the highly enriched uranium it now possesses. Supplying it would have been legal even if France had been a party to the nonproliferation treaty, since the uranium is subject to inspection by the United Nations, but it is a conspicuous example of the kind of nuclear transaction that needs to be considered much more carefully in the future. The French plan aims to eliminate chemical and biological weapons worldwide and to push the nuclear armories far below their present scale. Regarding conventional weapons, it suggests international registries of sales that would give greater visibility to the world trade in arms. The goal would be agreement on a reasonable balance of countries' defense requirements, region by region, with the registries monitoring any attempt to upset those balances. That concept is well worth pursuing. Arms control alone cannot prevent further war in the Gulf region, but a careful and well supervised armaments regime can help significantly to reduce the risks.

— THE WASHINGTON POST.

A Long Wait in Kuwait

In April, six weeks after liberation, the reclusive emir of Kuwait finally announced that some of his people might vote sometime next year, "God willing." Now a date has been more or less fixed: October. But his promise is nebulous and political freedom still a distant dream.

Martial law persists. The press is muzzled. Opposition meetings are banned. And a ruling family restored to power by immense international exertion seems chiefly concerned with restoring old prerogatives.

Shrugging off protests, the government has forcibly expelled prisoners of war to Iraq — a clear violation of an understanding reached with coalition partners. Kuwait's reputation is further soiled by vengeful executions of suspected collaborators, whose unidentified bodies were dumped in a mass grave. Nobody has been held accountable for these and other lawless excesses.

Little wonder that the 200,000 Kuwaitis who endured eight months of Iraqi occupation feel betrayed. They refer to themselves as "insiders," and to those who fled as "the runners." What they demand is scarcely radical in Western terms: a free press, minimal accountability, votes for women. Bolder spirits also demand the enfranchising of second-class Kuwaitis — those whose families became citizens after 1920.

The ruling Sabah family says it will ponder all this, and maybe grant a crumb or two. Yet concessions are always subject to arbitrary repudiation. In 1962 Kuwait became the only Arab country in the Gulf region to adopt a constitution and allow an elected parliament, although votes were restricted to a male tenth of total population. Even so, prompted in part by Saudi alarm over so much freedom, the emir of Kuwait dissolved the National Assembly in 1976, and again in 1986.

What blocks progress is a stubborn mind-set. Gulf sheikhs view their countries as family-owned firms. A growing middle class rightly wonders why. Americans have a role in this debate. Desert Storm was not fought to make the Gulf safe for feudalism. Stability is unlikely and justice impossible if hereditary rulers resist legitimate pressure for change. International criticism has already caused Kuwait to provide minimal legal guarantees in military courts trying suspected collaborators. Now let the outcry become loud enough to penetrate the sound-resistant palaces in Kuwait City.

— THE NEW YORK TIMES.

Send Back Kuwait's Art

Kuwait was once home to one of the largest and most stunning collections of Islamic art in the world. Now it is in the hands of the Iraqis — or destroyed. What the occupying Iraqi troops could not cart off they burned. The Kuwait National Museum and adjoining House of Islamic Arts were torched. Among the casualties — there were thousands — was a 24-meter (80-foot) dhow, one of the few examples of a large Arab seafaring craft. It was reportedly doused with gasoline and set ablaze.

Yes, looting and plundering are among war's many ravages. But the Iraqi spree in the Gulf war was highly supervised — not by army commanders but by Iraqi curators who knew something about the treasures. Like the Red Army's Trophy Commission operating in Germany during World War II, the Iraqis expropriated the finest cultural prizes. According to Kuwaiti officials and art experts, some 17 truckloads of art made their way to Baghdad.

Kuwait wants it back, as the UN Security Council has demanded, and has appealed to UNESCO for help. UNESCO has no enforcement powers, but it can remind Iraq of its obligations, which in this case are spelled out in two conventions established under international law. One, signed at The Hague in 1954 and ratified by both Iraq and Kuwait, pertains to the protection of cultural property in the event of armed conflict. The other, signed in 1970, prohibits the import or export of stolen cultural goods. These rules are intended to clarify the messy issue of repatriation of artworks, which the Soviet Union and Germany, for example, only recently agreed to discuss.

UNESCO is gathering information, including photographs, about the Kuwaiti collection, much of which was acquired by the ruling Sabah family at auction. A lot is already known about the 15,000 artifacts (Greek as well as Islamic), which were catalogued with the help of the Metropolitan Museum of Art. Once assembled, the documents will be disseminated all over the world. If any objects make the dark journey from Iraq to the black market and eventually surface at auction, experts should be able to recognize them.

Iraq's foreign minister, Tariq Aziz, has said in a letter to UN Secretary-General Javier Pérez de Cuéllar that his country will return the artworks. "We don't put much credence in their agreements," says a Kuwaiti press attaché who has every reason not to. Whatever the Kuwaitis' own shortcomings and outrages in their behavior at home just now, that artwork belongs in Kuwait and not in Iraq, and the United Nations should keep the heat on.

— THE WASHINGTON POST.

Other Comment

Britain and the Community

The same old argument has been going on incessantly [in Britain] for longer than I can remember, ever since the inception of the European Community. On the Continent, the idea of Europe as a community of nations has long been taken for granted; no one for a moment supposes that national or, least of all, local identity is about to be swallowed up by some monster in Brussels. Why are we different?

I doubt that we really are at heart. For decades we have suffered from politicians playing on atavistic instincts, whipping up chauvinism and xenophobia, and indulging their own nostalgia at our national expense. With different leadership it could have been a different story. Had European unification been made a theater for national pride and achievement, as on the Continent, instead of presented as an alien conspiracy, we would have learned to regard it pretty much as the French, Germans and Italians do, as a desirable enterprise which in practice touches upon their daily lives no more and no less than other arms of government, wherever located.

What will come of it all is a new bargain between states, a stage in the process of perpetual bargaining which is the European Community. We have a government which understands this (and an opposition, too), and a prime minister of a new generation who grasps both the limits and the possibilities of national influence.

Not before time, Mr. Major shows welcome signs of losing patience with the sterile litanies that come from the small and unrepresentative gang of last-ditchers within his party. His best way of dealing with them is to take the European high road and tutor the country, as other governments do, in the virtues of the necessities of compromise and mutual accommodation. For that is what it means to be European. It is time to learn that secret at last and shed the delusions which for so many years have been allowed to sour our politics and hold us back as a nation.

— Peter Jenkins, commenting in The Independent on Sunday (London).

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Help the Soviet Union via Eastern Europe

By Flora Lewis

BARDEJOV, Czechoslovakia — The American debate on what to do about the Soviet Union is getting shrill and dangerously distorting. The name-calling, the bumper sticker simplicities recall the early days of the Cold War and Senator Joe McCarthy's devastating impact on American society.

There is some reason for that. Once again, after a long and costly struggle, the United States faces a new era and has to re-examine old assumptions. That is always difficult, all the more in the age of "sound bites." But the issues are too important to be degraded into a yes or no domestic confrontation, and nobody should want to go through another demeaning McCarthy-type period. "Who sold out to the Soviets?" versus "Who lost Soviet reform?"

The question put is whether the West should or should not save the Soviet Union. It is the wrong question. The Soviet Union as we have known it is already destroying itself. The question facing the West is what can be done to help the peoples of the huge, resource-rich country manage their transformation in the least dangerous, least destructive way for everybody.

There is a whole range of possibilities to be considered. New ideas will emerge if the debate is switched to practical ways of achieving that long desired goal, as the Marshall Plan, which not only saved Western Europe but set it on the fruitful path to integration, emerged from seeking ways to break bottlenecks blocking recovery.

Mikhail Gorbachev and the people around him are not helping. It was Mr. Gorbachev who made it possible to move on to what East Europeans have come to call "post-communism," recognizing how far they still have to go to build new societies. But the Soviet leader does not have an economic policy.

Insisting on appearing at the G-7 summit of industrial nations in London next month is an attempt to substitute theater for decisions. It won't work, even though the seven leaders who will invite him for dessert after their substantive meetings will do their best not to humiliate him.

The curious aspect of this bit of stage business is what it reveals about Mr. Gorbachev's current advisers, after he sent away the ones who helped him launch glasnost and perestroika. They would have warned him against using his Nobel prize speech on June 5 to tell the West, in effect, to put up and shut up. He told the world it faced disaster if it did not rescue his program, but that it could not set conditions for saving itself from his failure. Fat chance.

It was in an effort to force him into firmly committed economic reform and establish guidelines for the West to measure his progress, as well as to give his angry, bewildered people courage to stand the course, that the Harvard group of Soviet and American experts came up with their "grand bargain" proposal.

It deserves discussion of its contents. One improvement, which could make the money stretch a great deal further, would channel substantial export credits through various countries of Eastern Europe. As Czechoslovak Foreign Minister Jiri Dienstbier says, "The Soviets have no capacity and no money, we have no money but we do have capacity."

The collapse of their Soviet markets has been the worst blow to Czechoslovakia, Poland and Hungary, threatening whole regions dependent on these exports with total shutdown. It is socially and politically unacceptable, but economically unavoidable in existing circumstances. On condition that returns were used to modernize and re-equip these factories, credits enabling them to sell things that the Soviets urgently need would help both them and their bankrupt customers make the transition.

This means domestic problems for the West. Politicians will have a harder time arguing that the United States and the West Europeans should invest in supplying East European goods to the Soviets rather than in selling their own produce. But it is a worthwhile investment.

There is a current in Soviet officialdom which does not want Western involvement, certainly not on Western conditions. They seem to be going for a form of state capitalism, and of course they are the people who could expect to be the new tycoons. Prime Minister Valentin Pavlov spoke for them when he accused the West of waging "financial war" — a way of subverting the Gorbachev appeal. This kind of infighting will continue. The U.S. debate must take it into account.

It is time to rise above tit for tat, look at specifics and confront the waffling Mr. Gorbachev with practical proposals.

© Flora Lewis.

U.S.-Japanese Relations Are Just Fine, Thank You

By T. R. Reid

This is the first of two articles.

TOKYO — *At a time when the* Japan-bashers in the Bos-Wash corridor are matched in fervor by the America-bashers in the Tokaido corridor, when the Tokyo bookstores have set up whole sections just for volumes on the "U.S.-Japan Crisis," when some Democrats are hoping to cast Japan in the Willie Horton role for the next campaign, it is easy to overlook one salient fact about relations between the two richest countries on Earth:

In almost every substantive area, U.S.-Japanese relations right now are in excellent shape — considerably healthier, in fact, than America's relations with many other allies.

On security matters, international politics, foreign aid, global environmental problems, you name it, the United States and Japan are in close accord all over the world. Culturally, the Japanese love affair with Mickey Mouse, McDonald's and M. C. Hammer is matched by Americans' devotion to Super Mario and the Mazda Miata. Even on trade, a recurring source of friction, the statistics are much better now than a few years back; in recent months, there have been more agreements than disputes.

And despite all the nasty rhetoric on both sides of the Pacific last winter, the Gulf war actually strengthened the bilateral relationship.

As the Harvard professor Thomas Vernon has noted, the real core of U.S.-Japanese animosity in the 1980s was "a view shared widely in both countries" that "the United States is on the way down and Japan is on the way up." Since the Gulf war, in contrast, the view shared widely in both countries is the one announced bluntly this spring on posters in the Tokyo subways: "America's Number One!"

That means that Americans, now less fearful about their own nation's status, will have less temptation to flail Japan. Meanwhile, the renewed stature of the United States and its president has given the Japanese something that their heavily regimented culture absolutely demands: a clear hierarchy.

More than any need they may have to be "number one" in the global ranking, the Japanese need the comfort of some definite order and a definite place in it. Before the Gulf war, when America's "decline" was a hot media item in Tokyo, the post-World War II hierarchy looked fuzzy, reminding the Japanese of unhappy periods in their history like the Era of the Warring States (1467-1568), when nobody was in charge.

Elsewhere in the world there are riots against the presence of U.S. troops, and hosts demand tribute from U.S. taxpayers.

Today, both Americans and Japanese are settling back into the familiar partnership — with the United States as senior partner — that constitutes one of the most orderly aspects of the New World Order.

It is not all sake and roses between Washington and Tokyo. There are enough trade issues and mutual misunderstandings to keep platoons of negotiators crossing the Pacific. Overall, though, if you dig beneath the noisy atmospherics and look at substance, the U.S.-Japanese relationship is doing fine.

Why, then, do we keep reading these headlines about "trade war" and "treachery"? The answer may have less to do with facts and more to do with fads in academic and publishing circles.

For years, American popular books on Japan tended to dwell on exotica of the "They eat fish raw!" genre. Then, in 1979, Ezra Vogel started a publishing boom when he hit the best-seller lists with a seminal book called "Japan as Number One" (subtitle: "Lessons for America"). Suddenly, bookstores and business magazines were infatuated with the idea that Japan should be America's new role model.

Inevitably, this prompted a backlash. In the mid-1980s, a new breed of analysts, called "revisionists" in academic circles and "Japan bashers" in the press, came to the fore. Their argument, that Japan is an unfair trader taking a free ride at America's expense, has now flourished in the marketplace.

"It's easier to get published if you complain about the Japanese," says Ronald Morse, a Washington-based Japan expert who falls somewhere in the middle of the spectrum. "It's easier to get an advance, to get into magazines, if you beat up on Japan and ... hold them up as a mirror for looking at our own problems."

The revisionist school should have one more big season this fall with the spate of books that will mark the 50th anniversary of the Pearl Harbor attack. Thereafter, some new consensus — Mr. Morse calls it "post-revisionist" — will probably develop that better reflects the current state of the U.S.-Japanese relationship.

To measure the current relationship, it is useful to look at some specific areas. In military affairs, for example, Japan is a key staging area for American armed might. This arrangement serves both sides, permitting U.S. forces to hold the dominant military position in the Pacific and providing Japan a security shield.

Elsewhere in the world there are riots in the streets against the presence of American troops, and host governments are demanding tribute from U.S. taxpayers. Japan, in contrast, pays America far more than any other host country in the world.

Thus the old complaint that Americans are shelling out to defend an economic competitor doesn't wash anymore. With Japan covering all local support costs, Americans probably pay less to base an aircraft carrier and its crew in Yokosuka than in Long Beach. And in a post-Cold War world, America's chief mission is not so much to defend Japan as to ensure its weakness.

The presence of U.S. troops obviates a Japanese military buildup; in fact, that is the point. "No one wants a rearmed, resurgent Japan," the top Marine Corps general in Okinawa undiplomatically blurted out to Fred Hiatt of The Washington Post last year. "So we are a cap in the bottle."

In foreign relations, Tokyo's policy is in tight accord with Washington's from Cameroon to Cambodia, from China to Chile. There are points of divergence — Japan has been more willing to accept the latest coup in Thailand, the United States has been more willing to sell arms in the Middle East — but on the whole the two countries dance to the same music.

The Japanese people, skittish about any military endeavor, clearly did not understand the rationale for going to war in the Gulf. Even in the Middle East, though, Japan now seems in harmony with the United States, as Tokyo demonstrated by its commitment of $11 billion to the multinational forces and the dispatch of minesweepers to clear the Gulf for shipping.

One example of the resilience in the relationship is the muted reaction in Tokyo to the broad disclosure on June 8 of a provocative report to the CIA by outside experts who portrayed Japan as bent on global economic superiority at the expense of the United States. Some analysts here say the quiet reaction shows that Japan is more willing to distinguish between official government policy and a simple report from an outside group.

Japan and the United States are the two biggest donors of foreign aid on Earth. They are working closely together in forging principles of development aid. You might say that each country effectively doubles the other's aid through coordinated and complementary grants and loans.

The writer is Tokyo bureau chief for The Washington Post.

From 100 Questions to 47 Answers

By Leslie H. Gelb

NEW YORK — *Twenty-four* years ago this week, I was handed a list of 100 handwritten questions about the Vietnam War dictated by Defense Secretary Robert McNamara, and told to establish a task force to answer them. The assignment for a young Pentagon official was a daunting one, as you will shortly understand.

We were to call our studies "History of U.S. Decision-Making Process on Vietnam Policy." The public would come to know them, fortunately, by another name.

We feared that unless we finished the job, this 'documentary' story of America and Vietnam would vanish.

The hundred questions did not seem to have any particular rhyme or reason. Most were the kinds of questions being raised at daily press briefings and in political debate: How confident can we be about body counts of the enemy? Were programs to pacify the Vietnamese countryside working? What was the basis of President Johnson's credibility gap? About a dozen were historical: Was Ho Chi Minh an Asian Tito? Did the United States violate the 1954 Geneva accords on Indochina?

Although we asked, Mr. McNamara did not choose to illuminate us on his purposes. We speculated that he was trying to help Bobby Kennedy's challenge to Lyndon Johnson, or Mr. Johnson's re-election, or trying to better understand the war or exorcise his own personal demons. To this day, I do not feel I know what drove him to launch the project.

Mr. McNamara's aides authorized me to hire six experts and said the boss wanted the job done in three months.

The task force began collecting documents from all over the government. It was evident that we could not answer the questions without a lot more documents, more experts and more time.

Nor did we feel that most of the questions could be "answered." We proposed in a memo to Mr. McNamara to transform the questions into 47 monographs that would tell the story of the war chronologically from 1944 to the present. He approved the memo and through his aides issued this guidance: Make the studies encyclopedic and objective. Preserve the substance of the documentary record. And let the chips fall where they may.

Over the next year and a half, I expanded the team from six to 36 experts (military officers, historians, think tank researchers and civil servants). We collected some 50 oversized safes full of documents. Our offices were filled with chaos from dawn to dusk.

There is so much to say about the people involved in the project.

Many, like Paul Gorman and John Galvin, who is the NATO commander, became generals. Some, like Morton Halperin and Richard Holbrooke, were to become high government officials. Others, like Daniel Ellsberg, became famous for other reasons.

All were afflicted with a passion to preserve the record. We feared that unless we finished the job, these fragments of truth we had collected would never be assembled again, and that this "documentary" story of America and Vietnam would vanish.

In early 1969 I took the final studies to Mr. McNamara, then president of the World Bank. I set two hefty boxes in front of him. "Take them back to the Pentagon," he ordered, without looking at the contents. I left with no idea if or how or when they would be made public, or if they would survive.

More than two years later, Hedrick Smith, then a reporter for The New York Times, telephoned me and asked about the project. "You've got the studies?" I asked. "You'll see," he responded.

And I did one Sunday morning in June, 20 years ago to the week, when The New York Times began publishing the Pentagon Papers. I did not think then that the publication would compromise U.S. national security, nor do I now. They were "history."

But I cannot say that I was pleased. I worried about the turmoil that would enter my life, then as a scholar at the Brookings Institution. I worried about the potential misuse of the papers by doves to stamp government leaders as liars and by hawks to brand war critics as traitors.

What troubled me was that the papers — a vast, undigested mass of fragmentary truths — in the newspapers would become like sticks of historical dynamite, damaging more than illuminating the ongoing struggle over Vietnam policy. How publication affected that struggle is still unclear.

But then and now and above all, publication in The Times ensured what mattered most to those of us who wrote the studies and to our democracy — that the papers would live.

The New York Times.

Stalemate Isn't Good For Israel

By Stephen S. Rosenfeld

WASHINGTON — It is a curious fact of the Middle East scene that while the United Nations maintains its tight focus on the enforcement of Security Council resolutions bearing on Iraq, almost no attention is given to the enforcement of council resolutions bearing on Israel.

In one sense, of course, it isn't curious at all. Israel has made a calculated policy of dismissing the United Nations as a legitimate participant in its affairs; its current emphasis on cramping the organization's role in any forthcoming peace talks is the latest evidence.

As the powerful patron of Israel, the United States customarily defends it from such interventions. The rest of the world either comes to this issue with dirty hands — I refer to Arabs and others who voted in the General Assembly that Zionism is racism — or faded out some time ago.

Let us set aside the General Assembly, whose Communist-Third World automatic majorities fouled the air for decades with anti-Israel viciousness and have yet to make the necessary full amends. The Security Council, whose membership is more responsible and whose atmosphere is more benign, is another cup of tea. And perhaps here is where the Israeli government's deeper concern resides.

Sometimes alone, sometimes not, Israel is arguably in default on more than a dozen Security Council resolutions: the seminal 1967 land-for-peace-resolution and its 1973 sequel; a 1980 resolution declaring "null and void" its annexation of East Jerusalem, resolutions of 1979 and 1980 deploring its West Bank settlements, resolutions of 1981 and 1982 condemning its occupation of the Golan Heights and the presence of its troops in Lebanon, and others.

Arabs and some other critics see here a blatant case of a "double standard" in which the United Nations, under American pressure, is pursuing and punishing Iraq for offenses for which it lets Israel go scot-free. But things are more complicated than that, as most of the world recognized in rejecting Saddam Hussein's attempts to use this argument as an alibi for his aggression in Kuwait.

David Scheffer, an international lawyer, points out that, unlike the Iraq resolutions, the Israel resolutions were not adopted under the UN Charter's Chapter VII (threats to the peace) and therefore are not susceptible to being enforced by UN military action; for that, further explicit resolutions would be required. The dispute over territory occupied by Israel is historical and political in nature, and not Iraq's kind of uncomplicated raw grab.

Nonetheless, the core of both sets of resolutions is similar and valid: the inadmissibility of holding territory by force without the occupants' consent. Israel has complaints against its adversaries — their fundamental hostility and refusal to live side by side. But their complaints against Israel's unnegotiated hold on territory also have substance.

If not by military action or — just about equally farfetched, given American friendship for Israel — by economic sanctions, then how is Israel's compliance with UN resolutions to be gained? Obviously by diplomacy, by the give and take of negotiation. This is the right way and the only way. But on this sensitive front Israel is pushing at the margin of many of its citizens' and foreign friends' understanding.

It is not simply that the Israeli government wishes to delegitimize the United Nations as a party to peace talks — a tactical consideration. It wishes to delegitimize Security Council resolutions as standards to which it must be held — a strategic consideration. Thus Israel rejects, for example, that withdrawing from the West Bank or stopping the settlements are solemn, internationally determined obligations that it is bound to honor in the context of a negotiated peace settlement. Rather, it treats such things as suspect, historically rootless, politically one-sided demands that it is entitled to reject and that have no real international standing.

Is not Israel's UN stiffness a justifiable payback for the United Nations' long abuse or, for that matter, a prudent hedge now against a new unfair gang-up? I think it would be more accurate to say it is a recipe for stalemate, more misery and perhaps worse. The institution and resolutions of the United Nations on the Security Council side promise Israel immeasurably more relief, safety and integration into its region than a policy of categorical, partly contrived disrespect for the world body and its works.

The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1891: Cockleshell Trip

NEW YORK — Two foolish fellows are about to essay a trip across the Atlantic in cockleshells. Captain Lawlor and Captain Andrews, both of whom are men old enough to know better, will leave New York tomorrow evening [June 17] for Liverpool in their boats, the Sea Serpent and the Mermaid. Both boats are about 14 ft. 11 1/2 in. long with a 5 ft. beam and a depth of 2 ft. Both men sail alone, and both have had experience in adventurous voyages of this kind.

1916: It's Wilson Again

ST. LOUIS — Woodrow Wilson was again the nominee of his party for President. The "old ticket" went through with a wild whoop in the Democratic National Convention today [June 16]. Senator Ollie James of Kentucky boomed forth the declaration that he who dares to oppose Wilson would paralyze the hand which may be called upon to sign the peace of the world. He said many other things about the pacifist president, who is once more on a platform so bellicose that William Jennings Bryan actually shed tears as he listened to its fierce pronunciamentos.

1941: Slap to Germany

WASHINGTON — [From our New York edition:] President Roosevelt took the initiative again in the diplomatic warfare with Germany by ordering all German consulates and propaganda offices in the United States to close before July 10. All German nationals employed by the agencies must get out of the United States by the July 10 deadline because they have engaged in "improper" activities "inimical to the welfare of this country." The newest slap at Germany comes two days after a clampdown on all European credits with a freezing decree that affects patent rights and trade assets helpful to Germany in its economic struggle against the United States.

Women at War, or How Gulf Brought the Debate Up Front

By Molly Moore
Washington Post Service

WASHINGTON — As Lieutenant Colonel Roslyn Goff of the U.S. Army prepared to lead 800 soldiers through Iraqi mine fields and into the battlefields of Kuwait and Iraq in February, some of the men under her command were almost as apprehensive about their commander as they were about enemy weapons.

Colonel Goff said some of the men in the support battalion were asking themselves, "Is this woman really going to take us into battle?"

But Colonel Goff was awarded the Bronze Star after the war. Performances such as Colonel Goff's during the Gulf war have become catalysts for the most dramatic recommendations in decades aimed at opening new jobs to women in the military services.

More than any other event in modern history, the Gulf war — in which five women died in combat, two were captured and 33,000 served, constituting 6 percent of U.S. forces in the region — has prompted even some ardent conservatives in Congress and the Bush administration to consider lifting resurictions that have prevented women from attaining some of the most prestigious jobs in the armed forces.

But the war also has hardened the resolve of many senior officers who believe that expanding the roles of women to infantry units and other direct-combat jobs would disrupt the cohesion of fighting forces and could compromise readiness of the U.S. military.

Lieutenant General Norman H. Smith, chief of manpower for the Marine Corps, said: "By inserting women into those types of units, with our physiological differences, you can build uncertainties and distrust and competition for the ladies — the male in competition for the female.

"It could have a tendency to break down those highly trained, tough, mission-assigned units."

General Smith and other military commanders say few women have the physical strength to serve in many ground combat jobs. Some opponents of the move also have charged that permitting women in combat jobs would be the first step toward including women in any future military draft, although proponents point out that there is no relationship between the two issues in law or military regulation.

And not all women in the forces want to go into combat. "Most of the women out here don't want to play a combat role," said Sergeant Ethel Kelsaw, 25, a Gulf veteran. "We like to do our part, but we don't want to go up front. That's a male's job. We don't want to go up there and get killed."

But military officials are privately fuming and fretting. The issue, they realize, involves far more than opening combat cockpits to women. It could likely be the first link to fall in a chain of traditionally protected jobs in the military, from aircraft carriers to infantry units.

The air force, navy and Marine Corps now operate under a 1948 law that bars women from serving in jobs considered "direct combat." The army is governed by internal regulations that are based on the same criteria as the law. The laws and policies were modified by the Defense Department in 1988 to say that the "risk of direct combat, exposure to hostile fire or capture are proper criteria for closing positions to women."

The war hardened the resolve of officers who oppose combat roles for women.

Under that definition, women are allowed to serve in logistical support units, fly refueling tankers and work aboard naval supply and repair ships. Those jobs are considered less risky than positions in infantry units, fighter planes or navy destroyers.

The Marine Corps and army are fearful the Senate will abolish the combat-exclusion laws, opening infantry, artillery and armor positions to women. The navy is worried that opening combat pilot jobs to women will force them to allow women to serve on aircraft carriers and other combatant vessels that support those planes. The air force, with a little internal grumbling, appears the most willing to accept the changes.

Lieutenant General Thomas J. Hickey, deputy chief of staff for air force personnel, told the Senate Armed Services Committee this spring that "the last impediment" to allowing women to fly combat aircraft is the combat-exclusion law. He added that Air Force officials believed there not one mission in the air force "that women are not physically and mentally capable of performing."

Many service officials have resigned themselves to the prospect of radical changes.

Lieutenant General Carl Mundy, President George Bush's choice for commandant of the Marine Corps, said during his nomination hearing last week that he believed women could fly planes superbly, but that his reservation would be making room for women pilots on ships that frequently required pilots to share small, cramped compartments.

"If told to do it, the Marine Corps knows how to salute," General Mundy said.

Even if Congress lifted some or all legal restrictions on jobs women may hold, it would be left up to the secretary of defense or the military services to decide whether to make the change. Some of the changes could require several years to implement because of training necessities and the need to rejigger living accommodations for sailors aboard ships.

The House of Representatives — with virtually no debate — recently approved legislation giving the services the authority to open to women all aircraft jobs, from fighter pilots to bomber navigators. Defense Secretary Dick Cheney endorsed the proposal.

"One of the lessons we've learned from Operation Desert Storm is the extent to which the nation accepted the significant role of women in that operation," said Pete Williams, Mr. Cheney's chief spokesman.

On Tuesday, the Senate Armed Services Committee's manpower and personnel panel will conduct a hearing on the issues that senators say will be pivotal to the Senate's decision to support — or perhaps expand — the House-passed recommendation. Republican Senators John S. McCain 3d of Arizona and William V. Roth of Delaware are taking the lead in pushing legislation to open the combat aviation jobs to women.

Amid Ruins of Marxism, What Next for Russia?

By Michael Dobbs
Washington Post Service

MOSCOW — The people of the Russian Republic have voted to end the 73-year-long Communist experiment, in the name of which tens of millions of their parents and grandparents perished. The issue now is what kind of social and political order will be built on the ruins of Bolshevism.

Boris N. Yeltsin's crushing victory over five Communist-backed candidates in Russia's first direct presidential election delighted his democratic supporters. The mayor of Moscow, Gavriil K. Popov, declared that Russia had "rejoined the family of nations." Lev Sukhanov, a Yeltsin aide, called the event a "bloodless revolution."

"The Russian people have made a historic choice," said the Russian Republic's justice minister, Nikolai Fyodorov. "The elections were more than just a rejection of the Communist Party — they were a rejection of the entire Leninist legacy."

"Look what happened in Leningrad," he added, referring to the referendum in the birthplace of the 1917 Bolshevik Revolution to restore the city to its original name, St. Petersburg.

But mixed with the euphoria felt by democrats over the election triumph were other, darker voices. Perhaps the most ominous was that of the hitherto obscure Vladimir Zhirinovsky, a talented political extremist who won six million votes by promising to avenge wrongs allegedly done to Russians by non-Russian minorities.

"In several months, the most fanatical supporters of Yeltsin will shout: 'Down with Yeltsin!' " said Mr. Zhirinovsky, outlining a scenario of economic and political collapse that he believes will lead tens of millions of Russians to turn to him as their savior.

The time of only months for all this, as suggested by Mr. Zhirinovsky at a news conference, is almost certainly far-fetched. After

NEWS ANALYSIS

enduring the Communist system for seven decades. Russian voters are unlikely to abandon their latest political idol so swiftly. But the long-term danger embodied by Mr. Zhirinovsky — or someone like him — is real enough.

If Mr. Yeltsin fails to deliver the goods, Russians may look for what political scientists here are dubbing a "third force," one that is neither Communist nor democratic.

Now that he has won an overwhelming mandate from the voters, Mr. Yeltsin will have to move fast to demonstrate that he is capable of leading the Soviet Union's largest and most populous republic out of what one of his advisers has branded an "economic lunatic asylum."

This will mean a period of extremely painful transition during which the living standards of Russians, already painfully low, are likely to sink still lower.

"Yeltsin has inherited a ruined, devastated Russia," said Boris Shamshev, who represents Yaroslavl in the Soviet Parliament. "The problem he faces is that we are likely to suffer even more catastrophes in the months and years ahead. To extract the country from the mess left over by the Communists will require a huge social revolution. This is why we will need some kind of Marshall Plan to pull us through this period."

In some ways, the triumph of the democrats in the presidential election is the Soviet equivalent of the anti-Communist "velvet revolutions" that shook Eastern Europe in the fall of 1989. But the problems that East European countries have already encountered on the road to democracy pale by comparison with the crises likely awaiting the Soviet Union as it lurches in the same direction.

The most obvious difference between the Soviet Union and Eastern Europe is that, even after last week's election, the democratic revolution in Russia is still very much incomplete. The Communist Party exercises enormous influence in the armed forces and KGB secret police. Entire sectors of the economy, including the military-industrial complex, remain under the tight control of the party-approved *nomenklatura*, or roster of reliable officials.

The election results showed that Mr. Yeltsin has a solid basis of support in the army. In many garrisons, between a third and half of the soldiers voted for him, despite pressure from their superiors to vote for any of the other candidates. But that still leaves at least half the army, including the bulk of the senior officer corps, as a bastion of Communist orthodoxy.

An army-backed coup has clearly become less likely as a result of Mr. Yeltsin's election victory. Ever since czarist times, the Russian military has refrained from direct interference in politics. To topple Mr. Yeltsin now would be a flagrant breach of the military's tradition of respecting a legitimate authority.

The military and the KGB may not be immediate threats to Mr. Yeltsin. But they nevertheless serve as constraints on how far and how fast he can proceed with the dismantling of communism.

As a prudent politician, he simply cannot ignore the mood of rising disaffection in the officer corps, at a time when hundreds of thousands of troops are returning from Eastern Europe and have no place to live.

Another likely limitation on the Yeltsin revolution is the character of its principal protagonist. A former Communist Party boss in the Urals city of Sverdlovsk, Mr. Yeltsin is a product of the privileged nomenklatura that he now denounces so eagerly.

Intellectually, he may have given up on communism. But apart from occasional official visits to Western countries, he has never had any direct experience with the market economy he aspires to create.

What is more, he does not seem all that interested in economics. According to former Finance Minister Fyodorov, Mr. Yeltsin paid little attention to the details of the stalled "500-day plan" for a fast transition to a market economy.

By contrast, Mikhail S. Gorbachev, the national president, meticulously studied the document, which got stuck in the bureaucracy.

Like the other candidates, Mr. Yeltsin traveled across the country during the election campaign wooing the electorate with populist promises — more apartments, higher wages, improved social guarantees and fewer working hours.

If he is serious about building a healthy economy, he will now have to forget many of these promises, laying himself open to accusations that he has betrayed his supporters.

AID: *Payoff to U.S. in Helping Soviet Economy Would Be Mostly Political*

(Continued from page 1)

formation is the easiest proposition in the world to mock," said Jeffrey Sachs, a Harvard economist who has been working with Soviet economists on a five-year, $100 billion package. "But those who want to stand by and see the Soviet Union collapse have an incredible lack of historical memory."

Americans are taking for granted the cooperation of the Soviet Union in recent years on a broad front, including Eastern Europe and the Gulf war, Mr. Sachs said.

"Do we really want to wait for a right-wing backlash in the Soviet Union, produced by a sense of failure, paranoia, and anger about losing the cold war?" he added. "We will very much regret that. That is exactly the sort of sentiment that produced a man like Hitler after the First World War."

Not everyone, though, accepts this aid-to-prevent-nuclear-chaos argument.

"I think that it's somewhere between a new form of nuclear blackmail and gross exaggeration," Senator Bill Bradley, Democrat of New Jersey, said in a television interview. "The fact is that the Soviet military is in control of the nuclear weapons. They're primarily controlled by Russians in Russia, and I don't think that it's a serious, very serious problem."

Nevertheless, the potential benefits in U.S security terms go beyond preventing nuclear chaos.

Virtually all of the leading economists and lawmakers now advocating some aid package do so on the condition that it not be paid out unless the Soviets take concrete steps to transform their economy from central control to a free market and their polity from a Communist system to a democratic one.

Mr. Sachs argued that to think that an internal explosion in the Soviet Union would not have a spillover effect in Eastern Europe or the Muslim nations to the south would be "extremely naive." The Soviet Army remains in Germany and Poland, and its withdrawal from Eastern Europe could easily be derailed by internal turmoil.

Eastern European economies have already been badly hurt by the fact that the Soviet authorities have halted virtually all the barter arrangements they had and are now insisting on being paid hard currency for oil exports.

Finally, an orderly transition to democracy in the Soviet government would, almost by definition, have to be accompanied by granting republics the right of self-determination, and that means the Baltic republics of Latvia, Lithuania, and Estonia would be much more likely to find a nonviolent path to independence, which has been a basic objective of U.S policy.

On the purely economic side the Soviet Union, with its 290 million people and vast natural resources, represents an enormously attractive potential market if its resources could be fully tapped through a free-market system.

But there would be little direct benefit to the American economy, except for certain sectors like consumer product and food producers, oil and gas equipment manufacturers and makers of machine tools.

The most immediate beneficiaries would be the Europeans in general and East Europeans in particular, reflecting their traditional trade links with the Soviet Union.

4 Killed as Students Clash in Bangladesh

The Associated Press

DHAKA, Bangladesh (AP) — Students aligned with rival political parties battled with guns, explosives and iron rods, leaving four persons killed and at least 50 injured, the authorities said Sunday.

At least two students were killed Saturday night at Dhaka University and two others in Chittagong, the Bangladesh News Agency reported. The clashes were the latest in two weeks of fighting between supporters of the governing Bangladesh Nationalist Party and the opposition Awami League.

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LIGHT THE DARKNESS

World Campaign for the Protection of Victims of War

Punjab Says Massacre Won't Stall Vote

Compiled by Our Staff From Dispatches

NEW DELHI — Punjabi security forces launched a manhunt and Indian leaders expressed shock on Sunday after Sikh separatists massacred 126 people on two trains, but the government vowed to go ahead with elections in the northern state.

The attacks on Saturday night came less than five hours after voting ended elsewhere in India in an election marred by violence and interrupted by the assassination of Rajiv Gandhi, leader of the Congress (I) Party.

Two groups of Sikh militants, each numbering about 10 and armed with automatic weapons, simultaneously took over trains leaving Ludhiana in two directions. One train was attacked at Badawal, about 6 kilometers (4 miles) west of the town, the other at Killaripur, 16 kilometers south.

After halting the trains, the militants told most Sikhs to get off the trains, then lined up Hindus in train corridors and shot them, the police said. Women and children were among the dead.

At least 78 passengers were killed on the first train and 48 people on the second train, officials said. A total of 48 people were wounded, 20 of them critically.

"It was very sudden," a Hindu businessman, Mangi Ram, said from a hospital bed. "We were playing cards when the train stopped and we ignored it. Then we heard firing and panicky screams and shouts. Then two Sikhs with guns came in, told Hindus to stay behind, then told us to stand in the corridor and then they fired at us."

Mr. Ram said he survived by jumping off the train and hiding in bushes alongside the tracks. He was shot in the hand and foot as he fled.

Sikh militants have targeted Hindus in previous bus and train attacks, though never on such a scale, in their fight for an independent Sikh homeland, which they call Khalistan. They hope to force Hindus out of the agricultural state, where Sikhs are in a slight majority.

The minister of state for home affairs, Subodh Kant Sahay, said that the massacres had not shaken plans for state and national elections there on June 22.

President Ramaswamy Venkataraman condemned the attacks as "cold-blooded savagery" and added: "It proves that the militants are working against the interests of the people of Punjab, and I join the millions in our country in condemning this shameless attack against defenseless human beings."

Before the killings Saturday, several parties had demanded that voting be canceled in Punjab. More than 700 people have died in the state since elections were announced in April.

Militants have killed at least 21 candidates for the state and national elections in Punjab on June 22. The rest of India completed balloting on Saturday, but Punjab elections were delayed until security forces from around the nation could be brought in to supervise voting. *(AFP, Reuters, NYT)*

INDIA: *Gandhi Party Takes Early Lead in Elections*

(Continued from page 1)

had done all he could to weaken Mr. Pawar.

Voting ended Saturday in an election that stretched over nearly a month. Originally intended to be held in three stages on May 20, 23 and 26, the voting was interrupted on May 21 by the assassination of Mr. Gandhi. The second and third phases were postponed until last Wednesday and Saturday.

The lower house of the Indian Parliament — the Lok Sabha, or people's assembly — has 543 seats, of which 511 are being contested. A party would thus need 256 seats for a clear majority.

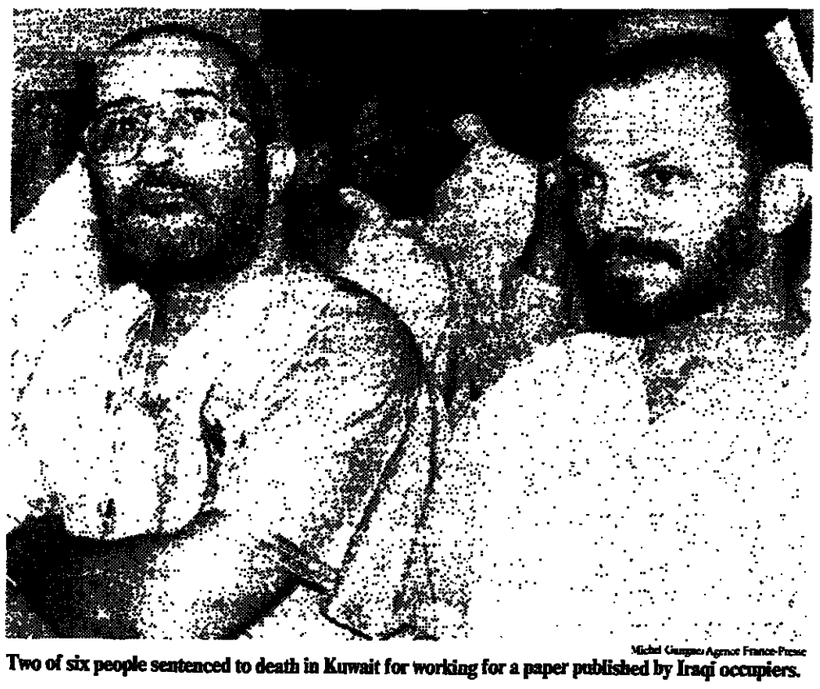
Polling was held in phases to allow troops and paramilitary forces to be moved from place to place to control fighting among political gangs and assaults on election officials.

Nonetheless, the 1991 election was the most violent in India's 44 years of independence. At least 290 people have died in poll-related violence, including 14 who died Saturday in a land-mine explosion in the southern state of Andhra Pradesh, where a radical leftist movement, the People's War Group, has opposed the election.

A voter turnout of 53 percent nationwide was the lowest in 10 elections held since 1947, when British rule ended. Normally, 60 percent to 70 percent of eligible voters exercise their franchise. India, with a population of 844 million, has an electorate of half a billion voters.

Assuming that the Congress Party does secure a plurality and is asked first to form a government, political analysts and politicians now see several possible combinations. Congress could draw into coalition the Janata Dal of Mr. Singh, a former finance minister and defense minister in Congress governments before his eviction from the party by Mr. Gandhi. Many believe that with Mr. Gandhi not a factor, Mr. Singh could be persuaded to return.

In an interview Sunday, however, Mr. Singh said his preference was to stay in opposition to guarantee that there would be two strong secular centrist parties at the center of power, keeping the pro-Hindu Bharatiya Janata Party and the extreme left marginalized.



Michel Gangne/Agence France-Presse

Two of six people sentenced to death in Kuwait for working for a paper published by Iraqi occupiers.

KURDS: *Thousands Protest U.S. Pullout From D'hok*

(Continued from page 1)

the accord to be signed," he said. "The terms will be announced by Mr. Barzani."

Talks began last month on the nature of Kurdish autonomy, the geographical dimensions of Iraqi Kurdistan and on democratic changes in all of Iraq.

On June 7, Mr. Barzani spoke of an imminent accord, but his assessment was challenged by another Kurdish leader, Jalal Talabani, who warned that the negotiations could continue for a long time. *(Reuters, AFP, WP)*

■ 6 Death Terms in Kuwait

John H. Cushman Jr. of The New York Times reported from Kuwait:

A martial law court has sentenced six defendants to death for collaborating with the enemy by working for Al Nida, the newspaper that Iraq published in occupied Kuwait.

Pandemonium erupted as the five judges, two of them military officers, announced their verdict. Defendants and their friends and relatives cried out and wept as soldiers with automatic rifles shoved them out of the courtroom.

One of those sentenced to death was a Kuwaiti woman, Ibtassim Dekhil, who was convicted of writing articles and urging other journalists to join the newspaper.

Another was Al Nida's chief editor, Ahmed Fadi Husseini, a Lebanese who had edited one of the main Kuwaiti newspapers before the invasion. He has fled the country and was tried in absentia.

Eight defendants in the case were acquitted, and 10 were sentenced to 10 years in prison.

The verdicts cannot be appealed, but the Kuwaiti government, facing international criticism that the trials of hundreds accused of collaboration have been handled unfairly, has set up a review panel that will consider every case and can recommend royal clemency.

Under martial law rules, the Kuwaiti crown prince must sign death warrants before any executions are carried out.

Two other death sentences have been issued by the courts, which also have handed down many lesser sentences since the trials began on May 19.

One of the others sentenced to death was a stateless Arab who had been serving in the Kuwaiti Army and was conscripted into the Iraqi militia. The other was a Lebanese woman convicted of betraying her husband, a Kuwaiti soldier, to the Iraqis, who killed him.

VOLCANO: *U.S. Orders the Evacuation of 20,000*

(Continued from page 1)

toppled, heavy ash made most streets impassable by all but four-wheel-drive vehicles and there was no water or electricity, an official said.

With white sandy ash covering everything, Angeles and its environs took on a wintry look of eerie desolation. Fertile rice paddies, sugarcane fields and banana plantations outside the city looked as if they were being taken over by an encroaching desert.

According to U.S. officials, about 22,000 Americans are to be evacuated after a decision to include all dependents from Subic in the withdrawal plan along with those displaced from Clark.

They are to be taken by U.S. Navy ships to the central Philippine island of Cebu, where they will board transport planes for flights to Guam and destinations in the United States, the officials said.

The U.S. Embassy said the first 700 Americans sailed on Sunday on the cruiser Arkansas and two frigates.

The aircraft carrier Abraham Lincoln, leading a battle group out of Okinawa on the way to the Gulf, is to assist in the evacuation, which is expected to last a week to 10 days, U.S. officials said.

The withdrawal of the dependents will likely leave fewer than 10,000 American airmen, sailors and Marines posted on military bases in the Philippines.

Although the effect of such a reduction of personnel on U.S.-Philippine negotiations on a new bases agreement remains unclear, analysts said it should make it easier for the United States to pull out of the bases if necessary.

The two sides are reported close to an agreement, but a majority of the Philippine Senate, which must ratify any new treaty by a two-thirds vote, now opposes it.

The announcement of the evacuation came on a day of reduced activity by Mount Pinatubo, which shot a 40,000-foot (12,000-meter) ash plume into the sky in a morning eruption.

At least four strong earthquakes were also recorded by the Philippine Institute of Volcanology and Seismology. No significant damage or casualties were immediately reported from the earthquakes, officials said.

The institute revised an assessment issued Saturday that a potentially catastrophic eruption of Mount Pinatubo from a huge new crater was imminent.

Instead, it said, it believed that the likelihood of a violent eruption was now "considerably reduced" and that the collapse of one side of the volcano had become unlikely.

As a result of what the institute said was a reduction of pressure in the volcano and weaker eruptions Sunday, the declared danger zone around Pinatubo was reduced from 25 miles to 18 miles.

■ Manila Airport Closed

All flights to Manila remained suspended after thin clouds of ash from Mount Pinatubo limited visibility, Reuters reported Sunday.

PHOTO: *No Accidental Views*

(Continued from page 1)

previously invisible aide at the National Security Council, became a familiar face around the country when he rushed up to the president with a piece of paper as Mr. Bush got off his helicopter.

Everyone wondered what this secret memo that appeared to spark the president's irritation could be. It turned out that Mr. Haass was simply making a dramatic delivery of the president's talking points for his news conference.

In the Reagan era, the master of getting into pictures was Donald Regan, the confident chief of staff who reached his apogee at the Geneva summit meetig in 1985.

The sole photograph released by the White House, on Mr. Regan's orders, showed him leaning over the couch between President Ronald Reagan and Mikhail S. Gorbachev, as though he were counseling the American and Soviet leaders.

The two Bush officials regarded as tops at getting the prime spot are Joseph Reed, the chief of protocol, and John H. Sununu, the chief of staff.

In a dazzling display of sartorial mastery of the photo opportunity, Mr. Reed changed his clothes three times one day last October when several foreign leaders were visiting.

Mr. Sununu's persistent technique for sidling into pictures was admiringly described by another White House official this way: "He kind of puts his hands in his pockets and scrunches up like a gremlin, so that he doesn't take up much space. And he always positions himself right over the president's right shoulder."

Of course, the importance of getting into the picture is known from the top down as well as the bottom up.

During the war, the president tried to have Dan Quayle in the picture as often as possible, as a way of conveying confidence in his beleaguered vice president.

BLOOD: *Help From Pigs*

(Continued from page 1)

plans to apply this year for approval of human trials.

The company said it would take at least five years to complete research and testing of pig-produced hemoglobin. There are also serious questions that will have to be overcome about the safety of using hemoglobin extracted from animals for human transfusion.

But experts in the field nevertheless praised the achievement.

"I think this is an exciting development," said Dr. Robert Winslow, chief of the blood research division of the army's Letterman Institute of Research in San Francisco.

"Military doctors believe a solution to this problem of making a blood substitute that can carry oxygen would have saved the lives of 10,000 soldiers in Vietnam," he added. "Soldiers bleed to death on the battlefield where you can't get blood to them, and before you can get them back to where they can be transfused."

Dr. Timothy Estep, vice president for research at Baxter Health Care Corp., which has been working on extracting hemoglobin from human blood, said the DNX work was "an interesting milestone" in the development of hemoglobin through genetic engineering, adding:

"It is one useful step among many that need to be taken to make a blood substitute. We believe that some product like this will be approved in the mid-1990s. Things are moving fast."

Bush Says He's Right On China

Isolation Won't Work, He Shouts

Compiled by Our Staff From Dispatches

LOS ANGELES — President George Bush emotionally defended his decision to renew trade benefits for China before an Asian-American audience Sunday, saying he did not want to isolate Beijing and "set back the chance for human rights."

"Our policy relies on an obvious fact: To influence China one simply cannot isolate China, and I do not want to be the president to isolate China," Mr. Bush shouted hoarsely in a speech before about 60,000 people in a campaign-style appearance at Fountain Valley, center of large Asian settlement in northern Orange County.

"I want to be the president to facilitate change for human rights in China," he said.

But acknowledging of the concerns of many Americans that he is being soft on China, the White House said Mr. Bush had put into effect his decision, announced on May 27, to restrict sales of high-technology computers to China.

The White House said the steps were taken because of China's missile sales to other countries. It said two Chinese companies had transferred missile technology to Pakistan, and that the United States would impose sanctions on those companies, identified as the China Precision Machinery Import-Export Corp. and China Great Wall Industry Corp.

"We have expressed urgent concern to the Chinese government about exports of missile technology," a White House statement said.

"The president decided that the significant risks to U.S. security interests posed by these missile transfers require the imposition of limits on the sale of high-performance computers," it said.

Undersecretary of State Reginald Bartholomew will discuss those concerns during a trip to China beginning Monday, the statement said.

Mr. Bush announced three weeks ago his intention to extend most-favored-nation trade status to China for another year, which would give the Chinese access to lower tariffs and other trade benefits. The Democratic-controlled Congress is trying to force Mr. Bush to make the status for China dependent on improvements in human rights, arms proliferation and a ballooning U.S. trade deficit with the Chinese. *(AP, Reuters)*

■ Beijing Warning

Don Oberdorfer and Lena H. Sun of The Washington Post reported earlier from Beijing:

China is prepared to cut back sharply on political and economic relations with the United States if Congress withdraws most-favored-nation trade status or decides to renew it with unacceptable conditions, senior Chinese officials said over the weekend.

Yuan Mu, the senior spokesman for China's governing State Council and a confidant of Prime Minister Li Peng, and Deputy Foreign Minister Liu Huaqiu both said that Chinese-U.S. relations were at a crossroads.

In an interview, the two officials said China's reaction to the U.S. legislation, including retaliatory steps, would be affected by the nature and severity of any conditions imposed.

This position, while opposing the imposition of conditions, appeared to leave room for tacit acceptance of restrictions that do not seem particularly onerous.

Mr. Liu, who is in charge of North American affairs, said that "if most-favored-nation status is revoked or the United States attached conditions to its extension, there would be "an unprecedented decline" in trade, a "heavy blow" to the 1,300 U.S.-Chinese joint ventures and for wholly owned U.S. companies operating here, "serious restrictions" on all exchanges and contacts.

He issued his warning in the face of a U.S. estimate that the loss of the trade status would cost China about three-fourths of its exports to the United States because of sharply increased tariff rates and bring the loss of 2 million to 3 million jobs in an economy that is struggling to continue to expand. The export total is estimated at $20 billion this year.

Solution to Friday's Puzzle

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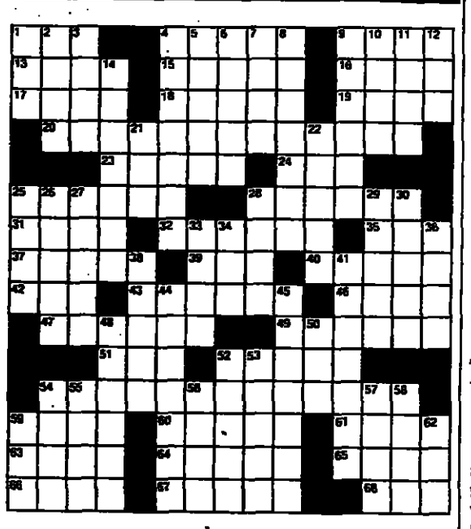
ACROSS

1 Singer Davis
4 Cheekbone
9 Magazine on which 47 Across worked
13 Author Paton
15 Animated
16 White with age
17 Make fun of
18 A thrush
19 Sicilian resort
20 Book by 47 Across
23 Court-martial
24 Banjo sound
25 Potsdam conferee
28 "Men on ——," book by 47 Across
31 Miner's strike
32 Blame; indict
35 Tenn. native
37 Went skyward
39 Charged atom
40 Barrel part
42 Subject for 47 Across
43 Certify
46 Rushed
47 Author born June 17, 1914
49 Berlin's "—— With an Umbrella"
51 Moray
52 Kind of vote
54 Pulitzer Prize book by 47 Across
59 "The ——," 1985 book by 47 Across
60 Actress Drew
61 Another magazine on which 47 Across worked
63 Genuine
64 Rosie's fastener
65 Lhasa priest
66 Swamp plant
67 Pool person
68 Cotene

DOWN

1 Joppolo's rank: Abbr.
2 Jai ——
3 Lincoln's "—— Eri"
4 Navratilova or Arroyo
5 Oahu greeting
6 Malign
7 Tel ——
8 Tebaldi and Scotto
9 "Amen" character
10 Actress Skye
11 Numerous
12 Notable period
14 Prickly plants
21 Mouth: Comb. form
22 Pandurinas
25 Side dish
26 Pentateuch
27 Idolize
28 Bread rolls
29 Effect; use
30 What 54 Across is
33 Hiroshima or Tientsin
34 Famed miler
36 Castor's mother
38 Canvas holder
41 Book by 47 Across
44 Bank employees
45 Port SE of Naples
48 Staggered
50 A day's craze
52 Decipher
53 Made of wood
54 Bern's river
55 Azure
56 Zip around
57 Sumatra neighbor
58 "All ——," 1931 song
59 Lincoln is one: Abbr.
62 Have brunch



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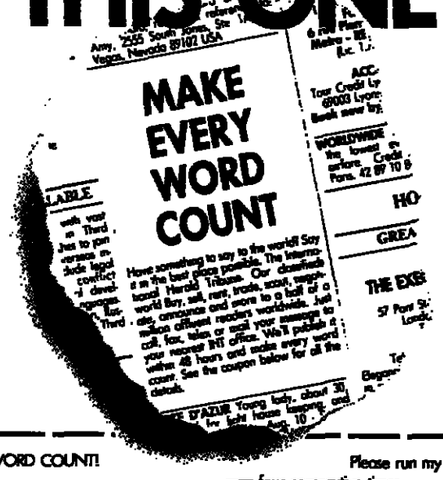

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EUROBONDS

U.S. Recovery Prospects Spur Interest Rate Fears

By Carl Gewirtz
International Herald Tribune

PARIS — The drumbeat is recovery, but financial markets are marching in different directions at the prospect that the United States is reviving from its year-long recession. Underlying the divergence — which has driven the dollar to an 18-month high but caused confusion in bond and equity markets — is a recognition that the nearly two-year stretch of easing monetary policy is ended, and a possibility that higher interest rates are imminent.

Whether the recovery has actually begun remains to be confirmed. Skeptics question whether the recent batch of data indicating a revival are statistical flukes distorted by the unseasonably warm weather in early spring.

The prospect of higher interest rates is good news for the dollar.

For now, however, the optimists predominate although even they are divided about whether the pick-up in economic activity will be robust or weak.

This is the critical issue bedeviling markets because the answer indicates how much of a problem inflation will be and how soon the Fed will start to tighten credit policy.

The prospect of higher interest rates is good news for the dollar. The currency has managed to stage a powerful recovery from its February lows despite the disadvantage of short-term interest rates being 2½ percentage points below Deutsche mark rates and 1¼ percentage points below yen rates. A narrowing of those differentials should propel the dollar higher.

By contrast, higher interest rates are bad news for the bond market. And the combination of a higher dollar curbing exports and higher interest rates raising the cost of finance could cause the recovery to abort and are bad news for stocks.

Expecting a robust rebound, Giles Keating at Credit Suisse First Boston sees the Federal Reserve overtly tightening credit "by the end of summer or early autumn."

But for analysts like Christopher Potts at Banque IndoSuez, who see a weak recovery, fears of an imminent rise in interest rates "are not plausible."

FINANCIAL MARKETS were whipsawed last week as first one view and then the other prevailed. But by week's end proponents of a modest, noninflationary recovery got the upper hand and the dollar retreated, closing at 1.7950 DM after touching a high of 1.8091 DM, as bond and stock prices improved.

Paul Chertkow, Citibank currency strategist in London, said the dollar's pull back was the result of profit-taking and a wariness by traders not to be overly exposed during the weekend.

"I would expect the dollar to consolidate around 1.78 DM and then go forward," Mr. Chertkow said. He also said he had raised his estimate of where the rate would stand by end-June to 1.84 DM from his previous estimate of 1.7850 DM. His year-end estimate of 1.90 DM is unchanged.

Simon Crane, a consultant on technical trends, sees the dollar consolidating, possibly back to 1.76 DM, before resuming its uptrend. He said that "the dollar faces minor resistance at 1.8175 DM and major resistance at 1.86 DM." His long-term view puts the dollar at 1.86-1.90 DM and 146-148 yen.

Jim O'Neill, Swiss Bank Corp.'s London-based analyst, expects the dollar to trade at "the mid-1.80s against the mark by the end of the month." But there are two wild cards, he warns, that could impair this objective — a rise in German rates aimed at preventing further weakness of the mark, or a possible attack against the British pound, which could engender massive intervention that also stops the dollar's advance.

The pound came under modest pressure last week within the fixed exchange-rate mechanism of the European monetary system — the result of a sudden weakening of the Spanish peseta. But analysts are wary that the gains the Labor Party is scoring in opinion polls could at some point trigger a major flight out of the British currency.

At the same time, there is considerable skepticism about whether the dollar has come too far, too soon — particularly among those analysts like Mr. Potts of IndoSuez who see only modest growth in the United States and sense that the dollar is too high and vulnerable to a correction.

"The current enthusiasm for the dollar is as marked as the bearishness which surrounded it earlier in the year," says Mark Cliffe of Nomura Research in London. "Although the current market psychology suggests the dollar rally may have further to go in the near term, another turning point may be at hand."

Mr. Cliffe warns that "further dollar strength is likely to leave foreign investors feeling increasingly uncomfortable about adding to their exposure, particularly given the relatively unattractive

See BONDS, Page 11

U.S. Watches as Banks Follow in S&L Footsteps

By Stephen Labaton
New York Times Service

WASHINGTON — At a time when "savings and loan" has become synonymous with "bottomless pit," warnings that the nation's banking system faces worsening problems have an eerie familiarity.

L. William Seidman, who heads both the savings and loan system's bailout and the Federal Deposit Insurance Corp., last week raised his estimate of the number of banks that are likely to fail and place additional strains on the government-backed insurance fund that protects deposits.

As many as 440 banks may fail this year and in 1992, he said, costing the insurance fund $23 billion and leaving it with a deficit of nearly $6 billion next year.

Parallels to the savings and loan crisis are already being drawn. Steadily worsening reports drip out on the condition of a government-backed deposit insurance fund. Regulators concede they have not always moved promptly enough to shut down institutions, such as the Bank of New England, and contain their cost.

And critics say Treasury borrowing will do no more than postpone the inevitable bill to taxpayers until after Election Day 1992.

Between honest differences of opinion and the imperatives of politics, it is difficult to find a consensus on exactly how much trouble the banking system is in and what is likely to happen.

Charles A. Bowsher, the comptroller general, said last week the industry would probably not be able to pay the government back if the insurance fund had to borrow the $70 billion from the Treasury that the Bush administration has said might be needed.

To be sure, most American banks are posting profits, but a major problem remains: too many of the biggest banks have made too many of the worst loans, resulting in huge losses and long-term weakness.

On Capitol Hill, where the House banking committee is to begin drafting legislation Wednesday to lend billions of dollars of taxpayer money to the battered deposit insurance fund, lawmakers are running scared.

No incumbent sees anything to gain politically by voting to put more public funds at risk, although everyone recognizes that something has to be done to avoid further damage to the nation's financial system.

Many members blame themselves as much as the regulators and the Reagan administration for the savings and loan debacle — Congress, after all, approved the industry's deregulation — and they see the possibility of a repeat performance.

President George Bush, who met separately last week with House and Senate leaders to jawbone on behalf of his legislation, is trying to use the plight of the insurance fund as the engine to pull a trainload of structural changes to the banking system.

His plan would free the industry of restrictions that prevent banks from expanding into new businesses and across state lines.

Critics say the Bush proposals would merely hide the industry's difficulties — and the taxpayers' exposure.

Banking Regulator Wants His Job Cut in Two

International Herald Tribune

WASHINGTON — L. William Seidman, the top U.S. financial regulator, said Sunday he favored dividing his huge task — insuring deposits in banks and savings and loans and liquidating failed thrifts — into two separate institutions.

He did not specify how that division would be made, but presumably he wants the Federal Deposit Insurance Corp. to have a different management team and director from the the Resolution Trust Corp. Currently, he runs both institutions.

He said he didn't think taxpayers would have to bail out banks as they have savings and loans, "but no one can say for sure."

Representative John D. Dingell of Michigan, chairman of the House Energy and Commerce Committee, said separately that he questions whether U.S. banks should be owned and managed by foreign entities — which he says would be permitted under banking legislation proposed by President George Bush. He also said he doubted whether corporations outside the banking industry had the expertise to operate a bank.

FSO Pins Its Hopes On GM

Polish Carmaker Awaits Rescue

Reuters

WARSAW — Poland's biggest carmaker, FSO, teetering on the brink of bankruptcy, expects General Motors Corp. to present a rescue deal Tuesday, an FSO spokesman said.

FSO has been involved in protracted talks with both the giant U.S. carmaker and with Fiat SpA of Italy.

"General Motors will present its offer to the government on June 18. It is one of the most attractive offers we have received," an FSO spokesman told Polish radio over the weekend.

He gave no details of the GM rescue plan. GM representatives met FSO managing director Andrzej Tyszkiewicz in Zurich last week.

"The factory stands on the brink of bankruptcy for the simple reason that we cannot obtain bank credits. It's up to the government to say whether it wants to maintain FSO any further," the spokesman said.

He said Fiat had so far failed to present FSO with a satisfactory offer, but he noted the Italian firm was also holding talks with Poland's other main carmaker, FSM.

■ **Linjeflyg-LOT Statement**

An official of Swedish airline Linjeflyg AB said Sunday the airline would announce the results of discussions with Polish airline LOT on Monday, Reuters reported from Stockholm.

Lars Berglof, Linjeflyg marketing director, told the news agency Tidningarnas Telegrambyra that he could not confirm a Swedish television report that Linjeflyg was buying 50 percent of LOT.

But he said Linjeflyg had held discussions with LOT. "It is the results of these discussions which we will present on Monday."

Unity Tax Cleared in Germany

Parties in Accord On July Increase

Compiled by Our Staff From Dispatches

BONN — A joint parliamentary committee has reached a compromise that would allow tax increases for German unity to proceed as planned on July 1.

After a 14-hour marathon on Saturday, government negotiators and members of the opposition Social Democratic Party said they had agreed on unity taxes. In addition, the government would shelve plans to repeal company taxes.

Peter Struck, a Social Democrat, said capital gains taxes that Finance Minister Theo Waigel had wanted to eliminate throughout Germany would still be levied in the west, but not the east, until 1993.

The lower house, where Chancellor Helmut Kohl has a majority, and the upper house, where Social Democrats dominate, must now approve the compromise legislation by the end of June.

The taxes include a 7.5 percent surcharge on income tax starting July 1, a 3 percentage point increase in insurance tax, to 10 percent, and hikes in the fuel tax.

Mr. Waigel has less than a month before the cabinet's draft of the 1992 budget is due. Economists said the tax increases would bolster revenues by 27 billion Deutsche marks ($50 million).

The committee chairman, Heribert Blens, a member of Mr. Kohl's Christian Democrats, said the government would give the 16 states 1.5 billion DM next year and 3 billion DM in 1993 to improve transportation.

During the all-German election campaign last December, Mr. Kohl vowed not to increase taxes to pay for the cost of reunification.

(AFP, Reuters)

Gold Loses Its Place as Early Warning

Richard E. Smith
International Herald Tribune

ZURICH — The golden barometer apparently no longer charts the storm warnings of international finance.

Long the trustiest single measurement of international tension and an early warning system of financial danger, the gold market has become strangely placid in recent years.

Dealers in this trading center doubt that it will liven up anytime soon.

In spite of shaky banks and a disintegrating Soviet Union, gold appears to be in the middle of one of its steadiest periods on record. Not even the Gulf war could shake its slumber.

"The sort of unremitting upward pressure on the price so evident in previous episodes of strife in the Middle East and spectacular increases in energy prices was completely absent," said the Basel-based Bank for International Settlements in its report on last year's financial developments.

"We have a different environment than in the 1980s," said Hans-Jürg Pletcher, chief gold dealer of Union Bank of Switzerland. "I would not be surprised if the market quiets down more."

The gold rush of the 1980s saw production double and prices soar over $800 an ounce (28.3 grams). The metal has languished between $350 and $400 for most of the past several years.

The price was quoted at $366.50 in Zurich on Friday, off $2.40.

Dealers say there are two main reasons for the lethargy:

- The market has devised an array of alternative safe havens.
- A group of ready sellers have been coming to the market whenever the price appears ready to stage a comeback.

The bulls in gold see perhaps their greatest enemies in the world's central bankers, who are keeping interest rates high and making even bonds an interesting alternative to gold as an investor's haven.

"As long as interest rates are high, it doesn't make sense to invest in gold unless you don't trust what is on printed paper," said one dealer at a major Zurich bank.

In addition to conventional bonds, gold dealers note that a range of new vehicles have been devised.

"Gold once had the show to itself but at the beginning of the 1990s there are many more risk hedges," said Andrew Smith, precious metals analyst with UBS/Phillips & Drew.

The explosion of derivative markets, including a number based on gold itself, allow investors flexibility in covering risks without resorting to physical holdings.

Gold loans have also become popular and effectively put gold on the market even before it is mined.

The other major factor in recent years involves the behavior of central banks of various smaller countries who have been strapped for funds by the debt crisis and sell off gold holdings whenever the price becomes attractive.

Some Middle Eastern holders have also tended to cap rallies or even cause drops, notably in the spring of last year when sudden sales of large quantities led to the largest one-day price decline in over five years.

All of these factors tend to nip rallies, and some dealers note that the predictable steadiness of the current market is making it too dull for the speculators who helped the market surge in the 1980s.

"A rally over the critical mark of $420 would probably attract people but we won't see big demand as long as we are in a range between $350 and $410," said Mr. Pletcher.

In the absence of haven-seeking and specu-

See GOLD, Page 11

COCOM Red Tape Eases With Tensions

By Barry James
International Herald Tribune

PARIS — With the relaxation of East-West tensions, COCOM has moved to make its rules on high-technology exports to the Soviet Union and the Eastern bloc simpler and easier to apply.

Robert J. Anstead, a senior U.S. Commerce Department official assigned to COCOM, has been at the Paris air show telling high-tech manufacturers that their problems in exporting to the East bloc — while not eliminated — are about to be considerably alleviated.

"I think it is going to open up a whole lot of market," he said. "But because of shortage of hard currency, the Eastern countries are not going to be able to take full advantage of it."

The Coordinating Committee for Multilateral Export Controls, or COCOM, was established following World War II. COCOM includes all the North Atlantic Treaty Organization nations with the exception of Iceland, plus Japan and Australia.

It used to be such a shadowy organization that until a few years ago references to it were classified by the U.S. government, Mr. Anstead said.

Over the years, its rules have grown and taken on corresponding anomalies. But under a reform due to come into force on Sept. 1, its rules will become much more transparent.

Mr. Anstead said the thrust of the reform will be to make the regulations positive rather than negative.

Up to now, Mr. Anstead said, there has been a presumption of denial, meaning that high-technology products cannot be exported unless specifically approved by COCOM.

This means that many items of basic technology cannot be sold to the Soviet Union because they have not received a specific exemption.

Under the new regulations, manufacturers will be able to export anything to the Soviet Union not specifically banned by COCOM.

"The big change is that if it is not listed it can go," said Mr. Anstead, who is director of the electronic components and technology center at the Commerce Department.

The regulations already have been considerably relaxed in respect to Poland, Czechoslovakia and Hungary, where a so-called Bikini list of 40 banned items applies.

The COCOM secretariat is housed in an annex of the U.S. Embassy in Paris, but it is an international organization with independently appointed staff members and representatives from each member country.

All members have an equal and final voice. In theory, tiny Luxembourg can insist on banning the export of a U.S. product, but in practice Mr. Anstead said this does not happen.

Once COCOM has reached a decision, it is the responsibility of each country to publish the regulations and make them known to exporters and manufacturers. Member countries are free to have stricter regulations than the COCOM list, and the United States has tended to be more restrictive.

The COCOM rules apply only to dual-use products that have both military and civilian applications. Purely military products will continue to be banned.

In the United States, the military list is applied by the State Department in consultation with the Department of Defense.

Mr. Anstead acknowledged that there is a gray area between military and civilian that has produced many anomalies.

For example, the avionics and computer systems aboard Airbus Industrie planes sold to the Soviet Union are a lot more sophisticated than those found on many military jets, yet were not prohibited.

Mr. Anstead said there would not be a lot of relief in the military classified area, although as a result

See COCOM, Page 14

Airbus to Sell 75 Cargo Jets

New York Times Service

PARIS — Airbus Industrie plans to announce this week a $6 billion deal in which Federal Express will order up to 75 new cargo planes, officials from the European aircraft consortium have disclosed.

According to Airbus officials, Federal Express is placing firm orders for 25 A-300 wide-body, twin-engine aircraft, and is taking out options on 50 more. The Airbus won in a competition against McDonnell-Douglas Corp. MD-11 cargo planes, the Airbus officials said. It would be the consortium's largest order for cargo aircraft.

The planes, which are scheduled to be delivered over 15 years beginning 1993, will replace for the most part Federal Express's Boeing 727s and McDonnell-Douglas DC-10s.

CURRENCY RATES

Cross Rates

June 14

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	2.015	3.305	1.1267	0.3314	0.1511 *	—	5.4725 *	1.3035	1.4545 *	1.7625	1.805 *
Brussels	36.905	60.32	20.5025	6.0595	2.7605 *	18.2675	—	24.005	0.2625	32.40	33.04 *
Frankfurt	1.80	2.93	—	0.2945	0.1342 *	0.8877	4.859 *	1.1463	1.274 *	1.5742	1.606 *
London (a)	1.6395	—	2.9356	9.9674	2,183.50	3.296	60.34	2.5080	230.435	1.8748	183.82
Madrid	112.352	182.752	62.272	18.333	8.356 *	55.372	3.0354	72.661	79.403 *	98.129	—
Milan	1,342.45	2,184.30	745.40	219.42	—	661.76	36.214	869.10	9.51	1,171.15	11.968
New York (b)	—	1.6329 a	1.795	6.0965	1,337.50	2.0225	36.925	1.5300	140.785	1.1431	112.10
Paris	6.115	9.958	3.3962	—	0.4557 *	3.0047	0.165	3.9822	4.3348 *	5.352	5.4545*
Tokyo	141.30	231.26	78.59	23.16	0.1056	69.78	3.8187	91.92	—	123.44	1.2579
Toronto	1.1434	1.8671	0.6375	0.1876	0.855 *	0.5659	3.104 *	0.7427	0.8126 *	—	1.024 *
Zurich	1.5335	2.5134	0.8533	0.2522	0.115 *	0.7585	4.1499 *	—	1.0926 *	1.340	1.3709*
1 ECU	1.14	0.6996	2.0531	6.9729	1,528.72	2.3131	42.2593	1.7596	160.875	1.3037	127.852
1 SDR	1.3722	0.8853	2.362	8.0242	1,761.40	2.4636	48.6009	2.0241	185.980	1.5696	147.168

Closings in Amsterdam, London and Zurich, fixings in other centers; New York closing rates and Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	9938.0	Greek drac.	195.75	Mex. peso	3015.00	S. Afr. rand	2.875
Austral. $	1.3263	Hong Kong $	7.73	N. Zealand $	1.7513	Soviet ruble*	0.402
Austr. schil.	12.66	Indian rupee	20.964	Norw. krone	7.0395	Swed. krona	6.5075
Brazil cruz.	296.42	Indo. rupiah	1936.00	Phil. peso	27.46	Taiwan $	26.92
Chinese yuan*	5.354	Irish £	0.6739	Port. escudo	159.10	Thai baht	25.75
Danish krone	6.95	Israeli shek.	2.3672	Saudi riyal	3.75	Turkish lira	4175.02
Egypt. pound	3.2725	Kuwaiti dinar	3.43	Sing. $	1.787	UAE dirham	3.6727
Fin. markka	4.2625	Malay. ring.	2.767	S. Kor. won	724.50	Venez. boliv.	55.53

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6209	1.6140	1.6081	Canadian dollar	1.1460	1.1486	1.1503
Deutsche mark	1.8053	1.8097	1.8139	Japanese yen	141.28	141.40	141.62
Swiss franc	1.5469	1.5494	1.5517				

Sources: NMB Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	June 14	June 7	Ch'ge
DJ Indus.	3,000.45	2,976.74	+ 0.80 %
DJ Util.	210.20	209.26	+ 0.45 %
DJ Trans.	1,234.66	1,227.43	+ 0.59 %
S & P 100	364.28	359.61	+ 1.30 %
S & P 500	382.30	379.43	+ 0.76 %
S & P Ind	455.43	451.79	+ 0.81 %
NYSE Co	209.34	208.19	+ 0.55 %
Britain			
FTSE 100	2,522.30	2,506.30	+ 0.64 %
FT 30	1,976.30	1,955.20	+ 1.08 %
Japan			
Nikkei 225	25,094.	25,035.	+ 0.24 %
West Germany			
DAX	1,699.80	1,709.64	— 0.57 %
Hong Kong			
Hang Seng	3,639.15	3,632.77	+ 0.04 %
World			
MSCIP	496.50	508.30	— 2.32 %

World Index From Morgan Stanley Capital Int'l.

Money Rates

United States	June 14	June 7
Discount rate	5½	5½
Prime rate	8½	8½
Federal funds rate	5⅝	5½
Japan		
Discount	6.00	6.00
Call money	7 29/32	8.00
3-month interbank	7⅝	7 11/16
West Germany		
Lombard	9.00	9.00
Call money	8¾	8¾
3-month interbank	9.00	9.00
Britain		
Bank base rate	11½	11½
Call money	11⅝	11⅝
3-month interbank	11¼	11 5/16

Gold	June 14	June 7	Ch'ge
London p.m. fix $	369.00	367.00	+ 0.54 %

Tehran Is Trying For a Turnaround

Economy Faces Pressing Problems

By Thomas W. Lippman
Washington Post Service

TEHRAN — With a big smile, Mohammed Hussein Adeli, governor of Iran's central bank, was drawing a glowing picture of a robust economy.

Double-digit growth and single-digit inflation. Stable currency exchange rates. Factories operating at capacity. Big natural-gas production. Consumer credit. Visa cards!

"We are moving very fast. This will lead our nation to prosperity," he said in an interview. "We will have a prosperous nation, and we deserve it."

After the interview, a middle-level government functionary who listened to it impassively, said, "Come to my house for some tea. Maybe you'll see some other things."

Indeed, the man, in his early 40s, lives with his mother in a four-room apartment in working-class south Tehran because he cannot afford his own place. He buys cigarettes three at a time because the whole pack is too expensive. He owns no car. Two pounds of fish costs three days' pay. In 1978, before the Iranian Revolution, his salary was the equivalent of $800. Today, though higher in Iranian rials, it is worth about $45 at the prevailing exchange rate.

President Hashemi Rafsanjani, who has staked his political future on revitalizing the economy of this oil-rich but crippled nation, "wants to improve things, but there's nothing he can do," the man said.

According to Iranian and Western economists, World Bank analysts, Tehran businessmen and foreign diplomats, both of these assessments of the Iranian economy contain a large measure of truth. People are tightly squeezed and even desperate, but the government is moving to set the economy on a new course.

Mr. Rafsanjani, they said, has recognized that many, perhaps most, of Iran's 56 million people were economically struggling and politically restive after 12 years of revolution and war.

Defying opposition by isolationist religious radicals, Mr. Rafsanjani and his team of technocrats have undertaken an ambitious program of recovery and expansion. He calls for increasing oil production, selling state-owned companies, rebuilding cities and industries devastated by the eight-year war with Iraq, stimulating the private sector and encouraging foreign investment.

The current five-year economic-development plan calls for spending about $400 billion, including $120 billion in foreign currency — of which $27 billion is to be borrowed abroad, in a complete turnabout from previous Iranian policy.

Pledging to be on its best behavior internationally, Iran is making an open pitch to foreign companies to supply capital and expertise to

See IRAN, Page 11

Energy Conference Ends With a List of Problems

By Leigh Bruce
International Herald Tribune

EDINBURGH — After more than a century of power, prestige and pollution, the oil industry is beginning to own up to its part in some of the world's most pressing problems.

Oil executives, working with environmentalist and government officials on economic, energy and environmental problems, have achieved little agreement on solutions. But a consensus is emerging on what the issues are.

Some 200 delegates at the three-day Wealth of Nations conference in Edinburgh, which ended Saturday, took on the complex mix of problems surrounding global dependence on plentiful but politically insecure supplies of fossil fuels and the resulting damage to the environment.

Despite growing agreement among these traditional antagonists about the nature of the problems, they remain far apart on the mix of regulation, market incentives and direct government intervention required to ensure the triple objective of economic prosperity, energy security and environmental cleanup.

"There is a much better understanding of the environmental issues on the part of industry than ever before, and more people on the other side now recognize that economic growth is a prerequisite for solving global environmental problems," said Dennis Anderson, a specialist on environmental economics with the World Bank and former chief economist at Shell International.

"The need for a consistent and stable policy over time is now recognized by all, though we are still some way from designing an agreed global policy stance," he said.

There was no disagreement among delegates that the issues facing the world had become too pressing and difficult to allow old ideological divisions to block the necessary cooperation in designing solutions.

Mary Archer, chairman of the National Energy Foundation, a group that promotes energy efficiency, acknowledged the change in mood among members of the energy industry.

"I am used to oilmen showing pictures of their rigs accompanied by Beethoven's Ninth. We haven't had much of that here," she said.

"We must not let the complexities become an excuse for inaction," said John Collins, Shell U.K. Ltd. chairman.

While cautioning that it could take as long as a decade for scientists to provide an accurate picture of the climatic threat from global warming, he said that "in an increasing number of ways, human activity is in danger of reaching the limits of what the earth can sustain without lasting damage."

Several broad problems emerged from the discussions:

- The twin objectives of energy

See OIL, Page 11

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Commercial Register: Luxembourg Section B-7.553

NOTICE OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting of Shareholders of MONTEREY TRUST, SICAV, will be held at its registered office in Luxembourg, 14, rue Aldringen, on June 25th, 1991 at 15:00 o'clock for the purpose of considering and voting upon the following matters

1. To hear and accept:
   a) the management report of the directors
   b) the report of the auditor
2. To approve the statement of net assets and liabilities and statement of operations for the year ended March 31st, 1991.
3. To discharge the directors and the auditor with respect of their performance of duties for the period ended March 31st, 1991.
4. To elect the directors to serve until the next annual general meeting of shareholders.
5. To elect the auditor to serve until the next annual general meeting of shareholders.
6. Any other business.

The shareholders are advised that no quorum for the statutory general meeting is required and that decisions will be taken at the majority of the shares present or represented at the meeting.

In order to take part at the statutory meeting of June 25th, 1991, the owners of bearer shares will have to deposit their shares five clear days before the meeting at the registered office of the Fund, 14, rue Aldringen, Luxembourg, or with the following bank:
Banque Générale du Luxembourg S.A., 14 rue Aldringen, 1118 Luxembourg.

The Board of Directors

WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Securities, London, Tel: 01 323 11 30. Prices may vary according to market conditions and other factors. June 14

Australian Dollars

Issuer	Cpn	Mat	Price	Yld	Spd Trsy
A B N Austral	14½	94	99½	10.69	
Anz Bk Gp	12⅝	92	98¼	14.53	
Aust Gas & Lgt	14⅛	91	102¾	8.28	
Austri Control	12⅝	93	99	12.83	
Austri Control	13½	94	102	12.77	
Austria	14⅛	92	101½	11.81	
B M W Fin	14½	92	101¼	12.34	
B P Capital	14⅛	92	100¾	12.83	
B P Capital	12⅝	92	99	13.58	
B P Capital'A'	13⅝	92	100¾	12.18	
C B A	12½	93	99	13.21	
C B A	13⅝	94	104⅞	13.19	
C B A	14	94	101⅜	13.25	
C B A	14	95	102	13.19	
C B A	13⅝	97	104⅛	12.80	
Council Europe	14	92	102	11.45	
Cr Suisse	14½	92	100¾	12.80	
Denmark	12⅝	93	97⅛	14.01	
Deut Bk Aust	14½	95	104	13.08	
Deut Bk Fin	15	94	104¾	12.86	
Eurofima	12½	93	99¾	12.64	
Eurofima	13½	94	101½	12.86	
Eurofima	13	95	101	12.57	
Exportfinans	14½	93	102½	13.86	
Girozentr Wien	12⅝	92	99¼	13.23	
I B M	15⅛	93	103⅞	13.19	
I B M Aus Cred	12⅝	92	99	13.58	
I B M Aus Cred	13	92	99¼	13.36	
I B M Aus Cred	14	92	100¼	13.73	
I B M Aust	15½	92	102¾	12.65	
I B M Aust	15⅝	93	104⅞	13.26	
I C I	15	92	101¼	12.11	
I C I	15½	92	102	12.80	
Mcdonalds Can	15	95	105	13.31	
Natl Austri Bk	14⅛	94	100¾	13.12	
O T C Globals	12	93	101½	11.53	
O T C Globals	12	01	100¾	12.22	
Rank Xerox	14⅛	91	100¾	11.95	
S E C Victoria	15⅛	94	104	13.53	
S E K	14½	92	101	11.92	
S E K	12⅝	93	98	12.46	
SBC Australia	14⅛	94	104	13.07	
Soc Gen	12½	93	99½	12.40	
St Bk Nsw	13⅝	93	101½	13.01	
St Bk Nsw	14⅛	94	102¼	13.28	
St Bk Nsw	14⅛	99	106	12.99	
St Bk Sth Aust	13⅝	94	103⅞	13.54	
Sweden	15	94	104⅛	12.98	
Sweden	13⅝	94	102	12.95	
Volkswagen	15	94	104	13.35	
World Bk	13½	92	102	12.53	
World Bk	14⅛	94	103	12.99	
World Bk	12⅝	94	99½	12.87	
World Bk	13½	95	102½	12.66	
World Bk	14½	96	106	12.79	
World Bk Feb	14½	92	100⅞	11.95	
World Bk Jul	12⅝	93	99	13.90	
World Bk Mar	12⅝	93	99½	12.99	

Canadian Dollars

Short Term

Issuer	Cpn	Mat	Price	Yld	Spd Trsy
A B B Fin Inc	11½	92	100⅝	10.82	+102
A K Z O	11	91	99¾	10.81	+118
Amer Genl	10	91	99¾	10.82	+102
Amex	10	91	99¾	11.19	+134
Asik-Cper	10⅝	91	99¾	11.39	+175
Austri Control	10⅝	92	100	10.23	+49
Austri Sparkas	9⅝	92	99¼	10.32	+69
Austria	10	91	99¾	10.08	+40
Avco Fin Serv	11⅛	92	101½	10.01	+28
Avco Fin Serv	10⅛	92	99	11.08	+149
B C Province	13½	91	100	10.43	+72
B N P	10⅝	91	99¾	10.66	+99
B N P	11⅛	92	100½	9.61	+5
Bayernhyp Fin	10⅝	92	99¾	10.19	+43
Bell Canada En	10	92	97¼	12.42	+286
Berliner Bk	10⅛	91	99¾	10.85	+122
Bhf-Bk Fin	10⅝	92	100	10.03	+35
Bk Montr Reall	10⅝	92	100	10.36	+59
Bk Montreal	10⅛	91	99¾	10.53	+81
Bk Tokyo	10⅝	92	100¼	9.98	+40
Bq Indl Lux	11	92	98½	11.54	+176
Bq Paribas	10⅛	91	99¾	10.29	+61
Brit Columb	12⅛	91	100½	10.17	+59
C B A	9½	92	99¼	10.23	+72
C C J Quebec	10	91	99½	10.69	+106
C E P M E	10	91	99½	11.00	+34
C I B C	11⅛	91	100¼	10.26	+76
C I B C	9	92	97¼	11.91	+224
C I B C (Sing)	10⅝	91	99¼	11.47	+183
Canada Trust	9⅝	92	99	10.96	+140
Cera Invest	10⅛	91	99½	11.15	+151
Chrysler	12⅝	92	94	19.44	1008
Cie Bancaire	12	92	100	11.55	+179
Commerzbank	10	91	99½	11.52	+188
Commerzbank	9⅝	92	99	10.39	+83
Commerzbank	10⅝	92	100	9.89	+13
Council Europe	11⅛	92	100⅝	11.00	+131
Creditanst	9⅝	91	99¼	10.81	+119
Crespen Fin	12	92	85⅛	10.73	+129
Dai-Ichi Kb	9½	92	99¼	11.40	+200
Denmark	9½	92	97	10.31	+75
Deut Bk	9⅝	92	98½	11.32	+153
Deut Giro-Dkb	10⅝	92	97	10.81	+115
E I B	12⅝	91	101	8.56	-82
E I B	9½	91	99¾	7.80	+31
F B D B	10⅝	91	99¾	10.88	+53
F B D B	9	91	99¼	12.80	+309
F B D B	11½	92	100½	10.84	+48
F B D B	11⅛	92	101¼	9.29	-27
F B D B	9⅝	92	99	10.67	+111
F B D B x/w	10⅝	91	99¾	10.86	+45
Farm Credit	9	91	99¼	10.85	+119
Farm Credit	10	92	99	10.39	+69
First Austrian	9⅝	91	99	11.88	+224
Ford Cred Can	9½	91	99	14.28	+655
Ford Cred Can	11⅛	92	100⅝	10.57	+83
Ford Cred Can	10⅝	92	100	10.49	+77
Ford Cred Can	10	92	98⅛	11.20	+164
Ford Cred Can	9	92	98¼	11.45	+189
Ford Motor Cr	11⅛	92	100	10.46	+98
Ford Motor Cr	11⅛	92	100¾	10.83	+127
Gen Ele Cap	11⅛	92	101¾	10.17	+47
Gen Motors	12⅛	91	98¾	11.22	+146
GM Canada	9⅝	91	98½	11.73	+217
Genelcan x/w	10⅝	92	99½	10.53	+80
GMAC	10⅝	91	99½	10.83	+125
GMAC	8½	92	97½	11.37	+181
GMAC	9⅝	92	97¼	11.72	+216

Issuer	Cpn	Mat	Price	Yld	Spd Trsy
GMAC Can	9⅝	91	98¾	12.68	+302
GMAC Can	10⅝	92	97	10.75	+95
Household Fin	10	92	98¼	12.59	+303
I B M Con	9½	92	98	11.35	+175
Interfin Cred	10	91	99½	10.89	+123
Itt Fin	10	92	98¼	11.83	+277
John Labatt	9½	92	98½	11.99	+343
K B Ifima	12	92	100½	10.46	+84
Kellogg Cda	9	92	98½	11.14	+158
Kredietbank	10⅛	92	99½	10.76	+107
Lb Rhein-Pfalz	9⅝	91	99	12.81	+236
Lb Rhein-Pfalz	11	92	101¼	9.31	-25
Lb Rhein-Pfalz	11	92	99	11.90	+234
Loblaw	11⅛	92	100¼	11.87	+150
Marubeni	11	92	97¾	11.45	+187
Mcdonalds	8½	92	97¼	11.60	+204
Merrill Lynch	11	91	98¾	15.90	+420
Mitsui Fin 2	8⅝	92	97	11.96	+240
Montreal City	12⅝	91	100⅝	9.63	+5
Montreal City	10	92	98	12.80	+242
Montreal Tsico	9⅝	91	97¾	14.92	+510
Montreal Tsico	10	91	99¾	11.11	+155
Montreal Tsico	8½	92	97	11.97	+241
N I B	10	92	98½	11.20	+143
Nat Bk Mort	9½	92	98¾	11.41	+185
Ntp T&T	9⅝	91	97½	10.27	+66
Ntp T&T	11⅛	92	101½	10.16	+40
Norddeut Ldbk	10⅝	92	99	10.64	+87
Olympia & York	11½	92	90¼	19.40	+966
Pernod Ricard	10⅝	91	99¼	10.46	+84
Pirelli	12	91	100	10.76	+85
Proct Gamble	11	97	100⅛	10.13	+36
Prov Alberta	10	92	99¼	10.54	+94
Quebec Hydro	14	91	100½	-3.50	-342
R B C	10⅛	91	99½	16.87	+702
R B C	9	92	98	11.47	+191
Royal Trustco	9⅝	91	99	21.37	1151
Royal Trustco	10⅛	92	97	13.20	+361
Royal Trustco	9⅝	92	96¼	13.37	+381
S E K	12⅝	92	102½	10.01	+37
S N C F	9⅝	91	99½	14.09	+424
Sallie Mae Sep	9¼	91	99¾	10.56	+80
Saskatchewan	9⅝	91	99½	14.00	+415
Sears	10⅛	92	98	11.96	+226
Shell Canada	10	92	101	10.28	+53
Shell Canada	11⅛	92	100	11.00	+140
Skandi Enskild	10⅛	91	99¾	10.54	+98
Skandi Enskild	11⅛	92	100	10.54	+98
Southland	12	92	35	86.68	7707
St Bk Sth Aust	10⅝	91	99¾	10.72	+102
St Bk Victoria	11	92	99¾	11.05	+149
Sumit Bank	9⅝	92	97¾	11.70	+214
Svenska Hdbk	11⅛	92	100	10.70	+136
Tor-Dom Bk	11	91	100	10.59	+103
Tor-Dom Bk	11½	92	98	14.45	+489
TorDom Cavm	11½	91	100½	9.50	-6
TorDom Cavm	10⅛	92	98¼	11.34	+169
Tor-Dom Mtg	9⅝	91	99¼	11.22	+158
Tor-Dom Mtg	10	91	99½	15.56	+569
Toyota Credit	11⅛	92	100½	10.54	+98
Vereins & West	11⅛	91	101⅛	5.26	-438
Victorian P A	8½	92	97¼	11.80	+224
Vienna	11⅛	92	99¾	11.02	+128
Westib Fin	9⅝	91	99	12.24	+253
Winnipeg	15⅛	91	100¼	8.96	-70
Winnipeg	9	92	98¼	11.22	+166
World Bank	9⅝	91	99¾	9.98	+37
World Bk	12⅝	91	101	8.21	-144
World Bk	12½	91	101	8.67	-95
Xerox Canada	11⅛	92	99½	11.37	+164

Corporates

Issuer	Cpn	Mat	Price	Yld	Spd Trsy
A I D C	10⅝	93	98¼	11.12	+137
Abb Fin	10⅛	94	99¾	10.15	+40
Abbey Natl	10⅝	93	99¾	10.77	+102
Abbey Natl	10⅛	94	98¾	10.71	+96
Alberta Nat Gs	10⅝	93	97	11.60	+185
Amer Hospital	12⅝	94	96¼	14.01	+426
Amex	9	94	94½	11.36	+161
Amex Cred	11⅛	93	100¼	11.55	+180
Avco Fin	11	93	98½	11.74	+201
B C Telephone	12⅛	99	101¼	11.61	+186
B N P	10⅝	94	99¾	10.19	+44
B P America	10½	98	99	10.70	+67
Barclays	10⅝	93	98¼	10.98	+123
Basf	10	93	98	11.18	+135
Bayer Ldbk	10½	93	97	11.88	+213
Bce Inc	9⅝	93	98¼	10.36	+61
Bell Canad Reg	9⅝	96	95¼	11.17	+129
Bell Canada	10⅛	99	98¼	10.96	+85
Bell Canada	12⅝	00	107	11.11	+95
Bell Canada	10⅛	04	98¼	11.04	+77
Bell Canada	9⅝	06	86	11.36	+106
Bergen City	9⅝	93	95¾	12.41	+266
Bergen City	8⅝	94	90¼	12.94	+319
Berliner Bk	10⅛	93	96	12.33	+258
Bk Hand & Ind	10½	94	96	11.36	+161
Bk Montr Reall	9½	96	98¼	12.10	+222
Bk Nova Scotia	9⅝	97	90½	12.08	+214
Bk Tokyo	8½	94	94¼	10.93	+118
Bk Tokyo	10⅝	95	99¼	11.08	+126
Bmw Fin	10⅝	95	96¾	11.15	+133
Borden Inc	10⅝	93	97¾	11.43	+168
Bq Generale	10	93	98½	10.88	+113
Brit Gas Intl	10⅝	98	97⅝	10.24	+22
C I B C Sing	11⅛	94	100¼	11.39	+164
C N C A	12⅝	93	103⅞	10.41	+66
Can Natl Railw	9⅝	94	97¼	11.05	+130
Can Natl Railw	12½	95	102¼	9.87	+12
Can Natl Railw	9⅝	96	92¼	11.24	+136
Can Natl Railw	8⅝	01	84⅛	11.53	+133
Can Occi Petro	12⅝	97	97	12.40	+231
Can Trustco	10	93	97	11.33	+158
Carabera	10	93	94½	13.39	+384
Cdn Natl Railw	11⅛	93	101¼	7.14	-261
Chrysler Cr	9⅝	93	90⅛	15.57	+982
Chrysler Fin	11	92	97¾	15.54	+379
Coca-Cola	11	93	100	10.93	+118
Commun Urb	8⅝	97	87¾	12.09	+207
Cr Local	10⅛	96	97	11.10	+122
Cr Lyonnais	10⅛	94	104¼	11.13	+138
Cr Suisse	n.a.	00	41½	10.75	+62
Creditanst	10⅛	93	97¾	11.30	+155
Creditanst	10⅛	94	96½	11.64	+189
D G Intl	9½	93	96	12.07	+232
Deut Bk	10⅛	93	97¾	10.74	+99
Deut Bk	9⅝	93	98	10.63	+88
Deut Bk	10⅝	93	98	10.72	+97
Deut Bk	9	94	96	10.74	+99
Deut Bk	11½	95	103½	10.39	+58
Deut Bk Fin	10⅛	99	99¼	10.16	+34
Deut Bk Fin	10⅛	01	99¾	10.38	+19
Dresdner Fin	9⅝	93	97	11.29	+154
Dutch St Mines	10⅝	96	98½	10.77	+89
Edmonton	10	95	98	10.83	+108
Farm Credit	12⅝	93	101½	10.92	+117
Fiat Fin Trade	10⅛	93	96¼	11.80	+205
Ford Cred Can	10⅛	93	98	11.18	+143
Ford Cred Can	9⅝	93	97½	11.30	+155
Ford Cred Can	10⅛	93	98	11.38	+163
Ford Cred Can	11	93	98	11.21	+146
Ford Cred Can	10	93	98½	10.89	+114
Ford Cred Can	10⅛	93	98½	11.18	+143
Ford Cred Can	10	94	98	11.26	+151
Ford Cred Can	13⅛	95	105⅝	11.24	+144
Ford Motor Cr	10	96	101⅛	10.46	+60
Gaz Metrop	10⅝	95	96¼	11.70	+185
Gen Ele Cap	10⅝	94	99½	10.84	+109
Gen Ele Cap Ca	9½	93	97¼	9.62	-13
Gen Ele Cap Ca	10⅝	94	100¼	10.06	+31

Issuer	Cpn	Mat	Price	Yld	Spd Trsy
Gen Ele Cap Ca	12¼	95	105¼	10.58	+77
Gen Ele Cap Ca	11¼	95	103⅝	10.34	+50
Gen Ele Cap Ca	10	96	98¾	10.33	+45
Gen Ele Cap Ca	10⅝	98	99½	10.22	+19
Gen Ele Cap Ca	10⅝	98	98¼	10.38	+34
Gen Ele Cr Cor	10⅛	97	99¾	10.25	+31
Gen Tsico	10⅝	93	97½	11.84	+209
Genfinance	10⅝	93	97½	11.55	+180
Genoss Zentrbk	9¼	93	98	11.09	+134
Genstar	11⅛	95	100¼	11.66	+186
Global Ontario	10	01	98¼	10.49	+29
GMAC	9½	93	96¼	11.08	+125
GMAC	10¼	95	96½	11.36	+154
GMAC Con	9⅝	93	98¾	10.56	+81
GMAC Con	10⅝	93	98¼	11.90	+175
GMAC Con	10⅛	94	98	11.27	+152
GMAC Con	11⅛	94	102⅛	10.54	+79
GMAC Con	11	94	101¼	10.37	+62
GMAC Con	11	94	99½	11.17	+142
GMAC Con	11	94	95½	11.38	+156
GMAC Con	11⅛	95	105⅛	10.67	+87
Household Fin	11	93	97¼	12.12	+237
Household Fin	10⅛	93	98	12.06	+231
Household Fin	11⅛	94	97½	12.35	+260
Household Fin	9	94	92¼	12.37	+262
I B M Con	9⅝	93	97¼	10.68	+93
I B M Con	11⅛	94	102⅜	10.16	+41
I B M Con	13½	95	108⅝	10.60	+80
I B M Con	11½	95	102	10.44	+61
I B M Con	11	96	102⅛	10.21	+36
Indust Kred Bk	9	94	95¼	11.03	+128
Interfin Cred	11½	94	101	11.04	+129
K F W Intl Fin	11⅛	95	104⅝	10.42	+65
Kfw Intl Fin	10⅛	01	96⅛	10.42	+41
L T C B	11⅛	94	100¼	10.88	+113
Lb Schles-Hols	10⅝	93	98⅛	11.23	+148
Lb Schles-Hols	10⅛	93	97	11.30	+155
Lb Schles-Hols	10⅛	94	96¼	11.60	+185
Manitoba	9⅝	98	97¼	10.43	+60
Mcdonalds	9⅝	93	99	10.21	+46
Mcdonalds Can	11½	94	102½	10.42	+67
Mcdonalds Can	10⅝	96	98⅛	10.45	+57
Mercedes Benz	10⅛	94	97	11.36	+161
Mobil Aust Fin	10⅛	96	98¼	10.59	+71
Montreal Tsico	10⅛	93	98½	11.28	+153
Montreal Tsico	11	93	99½	11.19	+144
Montreal Tsico	10⅝	93	100⅝	10.46	+97
Montreal Tsico	10	93	98	11.28	+153
Montreal Tsico	11⅛	94	102¼	10.37	+62
Montreal Tsico	11⅛	94	101¼	11.08	+133
Montreal Tsico	10⅝	98	97¼	11.33	+132
Morgan J P	13	93	104⅝	10.27	+48
Nat Trustco	10⅛	93	97¾	11.62	+187
Nat Vic Grey	10⅛	93	98	11.80	+205
Natl Nederland	10⅛	94	99¼	10.44	+69
Ntp Credit	9⅝	94	95½	11.07	+132
Ntp T&T	10⅛	96	101⅞	10.25	+55
Ntp T&T	10⅛	97	98¼	10.55	+43
Ntp T&T	10⅝	01	97⅞	10.57	+40
O L B	9⅝	93	98	10.83	+108
Olympia & York	10⅛	93	98¼	16.16	+641
Parbel Fin	n.a.	93	77½	11.00	+125
Prudent Fund	10	96	98¼	10.50	+62
R B C	11⅛	93	101⅜	9.98	+23
R B C	10⅛	94	98¼	11.34	+158
Royal Trustco	10⅝	93	97½	11.87	+132
Royal Trustco	9⅝	93	96	11.12	+153
Royal Trustco	10⅛	94	97¼	11.10	+135
Royal Trustco	10⅛	94	98½	10.93	+118
Royal Tst Mort	10⅛	94	101⅛	10.06	+31
S B C Cav	11½	93	100⅜	9.71	-4
Scotia Mort	10⅛	93	98½	11.18	+143
Sears	10	93	95¼	12.45	+270
Sears Canada	9⅝	97	87	12.55	+262
Shell Canada	11	94	101⅛	10.32	+57
Shell Canada	10⅛	94	100⅝	10.26	+50
Shell Canada	11⅛	95	102¼	10.61	+78
St Bk Sth Aust	10	95	96	11.33	+154
Telesat Canada	10⅛	95	98⅛	11.29	+154
Telesat Canada	10⅛	94	96¼	11.82	+207
Tokyo El P	10⅛	96	100⅛	10.41	+48
Tokyo El P	10⅛	01	98¼	10.73	+53
Tor-Dom Bk	10	95	96½	11.15	+135
Tor-Dom Bk	11	94	101⅛	10.44	+69
Toyota Credit	10⅛	94	100⅛	10.86	+31
Toyota Mot Cr	10⅛	94	100½	10.80	+25
Toyota Mot Cr	11⅛	95	105	10.32	+49
Transalta	13⅛	94	102½	9.32	-43
Trizec Corp	11⅛	95	99	12.10	+239
U B S Fin	10	94	97¼	10.83	+108
Univ of Quebec	10	93	96	11.88	+213
V W Intl Fin	10⅛	95	98¼	10.52	+72
Westib Fin	9⅝	93	97	11.53	+178
Westib Intl	n.a.	94	72¼	11.60	+185
Westib Intl	n.a.	96	58½	12.18	+232
Xerox Canada	9⅝	97	87¼	12.58	+263

Governments/ Supranationals

Issuer	Cpn	Mat	Price	Yld	Spd Trsy
Alberta Prov	10⅝	94	101½	10.14	+39
Asfinag	10⅛	01	97	10.62	+43
Austri Control	9⅝	93	98¼	10.52	+77
Austri Control	10	94	100	10.00	+25
Austri Control	11⅛	95	104½	10.34	+52
Austri Control	9	97	93¼	10.61	+66
Austri Control	10⅛	99	99	10.43	+32
B C Province	9⅝	96	93½	11.03	+115
B F C E	10	95	100½	9.79	-4
Brit Columb	9⅝	93	98¼	10.36	+61
Brit Columb	12	93	102½	10.72	+97
Brit Columb	10	96	98¾	10.46	+58
Brit Columb	10⅛	01	99¾	10.79	+61
Brit Columb	10⅛	01	97¼	10.85	+65
C N T	9½	94	96½	11.09	+134
Canada	n.a.	01	27	13.37	+316
Cr Local	11½	93	102½	10.04	+29
E C S C	10	95	97½	10.73	+93
E D C	10	95	98	11.21	+97
E D C	n.a.	96	59½	11.24	+136
E D F	10⅛	95	99½	11.38	+156
E D F	10⅛	93	97	10.48	+37
E I B	12	95	104¼	10.61	+81
E I B	9	95	93¼	10.68	+79
E I B	10	97	93¼	10.59	+66
E I B	10⅝	98	100⅛	9.95	-7
E I B	10⅝	99	99¾	10.31	+18
E I B	11⅛	00	104¼	10.58	+40
E I B	11⅛	01	103¾	10.68	+39
Eksportfi Se 3	10⅛	94	96	10.19	+44
Exportfinans	10⅛	94	99	10.51	+63
Eldorado Nucle	11⅛	93	102⅛	10.24	+49
Eurofima	10⅛	94	96	10.66	+74
Exportfin	9⅝	94	97¼	10.19	+44
Exportfin	10⅛	94	100	10.58	+83
F B D B	8⅝	93	94	11.18	+135
F B D B	10⅛	93	99¼	10.92	+117
Ferrovie State	10⅛	93	100	10.19	+44
Fin Exp Cr	11⅛	93	102⅞	9.82	+7
Fin Exp Cr	13⅝	93	105⅛	10.19	+44
Fin Exp Cr	n.a.	97	55¾	11.05	+112
Fin Export Cr	10⅛	95	99¾	10.22	+43
Gaz De Fra	11⅛	95	101	10.88	+45
Global Ontario	10	01	94⅝	10.88	+55
Hamilton Went	10⅛	04	96	11.34	+158
Jap Dev Bk	12⅝	93	105¼	10.04	+29
Metro Toronto	11⅛	94	101⅛	11.26	+158
Metro Toronto	10⅛	95	96	11.49	+168
Metro Toronto	8⅝	97	90½	11.02	+107
Metro Toronto	11	99	102	10.58	+49

Issuer	Cpn	Mat	Price	Yld	Spd Trsy
Montreal City	10	93	98	11.27	+152
Montreal City	11⅛	93	100	11.16	+141
Montreal City	10⅛	94	98¼	11.47	+172
Montreal City	11½	95	100	11.49	+168
Montreal City	10⅛	95	97	11.48	+167
Montreal City	11	96	99¾	11.47	+162
Montreal City	9	97	89½	11.60	+166
N Brunswick	12	95	102¼	11.15	+138
N Brunswick	11⅛	95	101⅛	11.21	+141
N Brunswick	10⅛	98	98	10.88	+80
N Brunswick	9⅝	98	92¼	11.24	+120
N Brunswick	10⅛	01	97⅞	11.10	+91
New Zealand	10⅛	95	100	10.69	+69
Newfoundland	9½	97	90	10.84	+52
Nova Scotia	11⅛	95	102¼	10.80	+102
Ontario Hydro	10⅛	96	101½	10.69	+81
Ontario Hydro	10⅛	97	100⅛	10.81	+71
Ontario Prov	10⅛	96	99	10.37	+60
Ontario Prov	10⅛	98	98	10.66	+63
Ottawa-Carlton	12⅝	94	105	10.64	+88
Ottawa-Carlton	9½	96	93½	10.75	+71
Ottawa-Carlton	10⅛	07	96⅛	10.90	+70
Prov Alberta	10⅛	96	100¼	10.52	+66
Quebec City	10⅛	94	97	11.08	+133
Quebec City	9⅝	96	94¼	11.06	+119
Quebec City	9	97	91	11.18	+123
Quebec HV	9⅝	96	92½	11.34	+135
Quebec Hydro	11	95	99½	11.12	+137
Quebec Hydro	10⅛	95	97¼	11.14	+134
Quebec Hydro	12⅛	96	102¼	10.48	+65
Quebec Hydro	9	98	91⅛	11.18	+115
Quebec Hydro	11	99	99¼	11.12	+104
Quebec Hydro	10⅛	99	98¼	10.95	+76
Quebec Hydro	9½	01	92½	11.31	+111
Quebec Prov	12	93	102½	11.08	+158
Quebec Prov	10⅛	96	98¾	10.82	+95
Quebec Prov	9	97	91½	11.09	+115
Quebec Prov	10½	98	97½	10.96	+88
Quebec Prov	11⅛	00	102	11.13	+96
Quebec Trans	9⅝	93	100	9.70	-5
Quebec Water	10⅛	96	96½	11.24	+133
S E K	n.a.	96	64½	11.86	+286
S E K	n.a.	99	48¼	11.49	+127
S E K Corp	10⅛	96	100	10.33	+36
Saskatchewan	10⅛	93	99¾	10.31	+56
Saskatchewan	10½	96	98¾	10.62	+87
Saskatchewan	10	98	96¾	10.51	+76
Sweden	9⅝	93	99¾	10.18	+43
Sweden	10⅛	96	101⅛	10.33	+29
Sweden	10⅛	98	100⅛	10.57	+81
Vancouver	11⅛	95	100¼	11.44	+166
Vancouver	9⅝	96	96¼	11.48	+173
Vienna	9⅝	93	96	11.48	+173
Ville De Montr	11⅛	96	101⅛	10.86	+100
Winnipeg	10⅛	93	99¼	10.55	+80
World Bank	9	96	93¾	10.64	+73
World Bk	10⅛	93	99	10.55	+80
World Bk	11⅛	95	103⅞	10.32	+48
World Bk	12⅛	95	107	10.35	+54
World Bk	n.a.	96	59½	11.06	+118
World Bk	10⅛	99	99¾	10.26	+15
World Bk Oct	11	94	101⅛	10.26	+51
World Bk Bear	9	96	94	10.54	+63

ECU Straights

Issuer	Cpn	Mat	Price	Yld	
A B B	8⅝	94	97¼	9.72	+17
A K Z O	7⅝	91	99	9.96	+1
Abb Fin Inc	10½	92	100¼	9.94	+12
Abbey Natl	9	92	98¼	10.21	+27
Abbey Natl	10⅛	95	101	9.80	+30
Aegon	7⅝	91	98½	10.30	+35
Aegon	7⅝	91	97	10.73	+78
Aegon	7⅝	95	91	9.89	+39
Afric D Bk 'B'	10⅛	91	97¼	10.41	+46
ABN	9½	92	97	10.47	+52
All Nippon Air	9	95	96	10.29	+70
Amex	7½	91	100	6.98	-297
Andelsbanken	9⅝	92	98¼	10.38	+44
Anz Bk Gp	9⅝	92	97¼	10.39	+44
Anz Bk Gp	8	93	96	10.23	+56
Asfinag	10½	95	102½	9.73	+24
Asik-Cper	7½	92	97½	10.14	+19
Austri Control	10⅛	95	104½	9.27	
Austri Control	10½	92	100¼	9.95	+13
Austri Control	7⅝	93	96	9.80	+13
Austri Control	8⅝	94	98½	9.30	-26
Austri Control	9½	94	99¾	9.73	+19
Austria	7⅝	93	96	9.90	+17
Austria	8⅝	93	98¼	9.88	+20
Austria	10⅛	93	100¼	9.99	+21
Austria	7½	94	95	9.42	+2
Austria	9⅝	94	98¼	9.72	+17
B F C E	9	97	99¾	9.11	
B F C E	9⅝	92	99½	10.05	+18
B F C E	8⅝	93	97½	9.83	+18
B F C E	9⅝	95	100¾	9.75	+22
B F C E	7⅝	96	92½	9.67	+18
B F C E x/w	4⅝	96	87½	9.74	+15
B N P	9⅝	92	98½	10.04	+19
B N P	7⅝	92	96¾	10.10	+43
B N P	7⅝	93	95½	10.10	+44
B N P	7⅝	93	95½	9.92	+36
B N P	7⅝	94	96¼	9.84	+34
B N P	8⅝	95	97½	9.80	+45
B P Capital	7⅝	93	96¼	9.84	+36
Bacob Finance	9	92	98¼	10.29	+34
Bacob Finance	7⅝	93	95¾	10.87	+38
Bacob Finance	9⅝	93	98½	10.18	+47
Bacob Overs	9	92	98	10.20	+35
Bca Lavoro	9	92	97	10.32	+38
Bca Lavoro	7⅝	94	95	10.35	+76
Bca Di Roma	9	92	98	10.85	
Bca Di Roma	7½	93	95½	10.13	+45
Bca Di Roma	8⅝	93	95½	10.25	+32
Belgium	9⅝	94	100.030	9.18	
Belgium	8⅝	94	96¼	9.74	+13
Bk Greece	10⅛	96	98¼	10.53	
Bk Helsinki	9	96	97	9.80	+21
Bk Tokyo	8⅝	92	97¼	10.10	+24
Brit Telecom	8½	93	96¾	9.71	+14
Brit Telecom	10⅛	95	103	9.41	+9
British Gas	11	93	101⅛	9.88	+16
C B A	8⅝	94	97	9.87	+38
C C C E	7½	92	98	10.24	+28
C C C E	10⅛	93	98	10.88	+22
C C F	7⅝	93	95⅛	10.07	+32
C C F	7½	93	95¼	10.29	+32
C I R Intl	8⅝	94	95¾	10.14	+56
C N A	10½	95	104¼	9.15	
C N A	8⅝	95	97½	9.22	
C N A	9	00	98½	9.24	
C N A	7⅝	93	95¼	9.68	+18
C N A	8⅝	94	98¼	9.68	
C N C A	9⅝	95	99¼	9.85	
C N T	12⅝	93	100⅝	9.84	-71
C N T	9⅝	96	95½	9.79	+11
C N T	7⅝	94	95½	9.79	+13
C N T Tr B	9⅝	95	100½	9.77	+2
C N T Tra A	9⅝	95	99¾	10.04	+9
Cariplo	8⅝	93	95	10.35	+63
Cariplo	7⅝	94	97½	10.12	+57
Cariplo	7⅝	95	92	10.18	+59
Cera	9½	93	98¼	10.14	+37
Chrysler Fin	10	91	97	22.02	1207
Chrysler Fin	9⅝	92	87	17.48	+777
Chrysler Fin	10⅛	93	87	17.48	+777
Cie Bancaire	7⅝	94	94	9.53	
Cie Bancaire	9	91	99½	9.98	-5
Cie Bancaire	11½	92	100⅝	10.29	+34

[illegible]

Pound Sterling

[illegible]

Yen Straights

[illegible]

MUTUAL FUNDS

Figures as of close of trading Friday, June 14.

NEW YORK (AP)— The following quotations, supplied by the National Association of Securities Dealers, Inc., are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

	Bid	Ask
AAL Mutual:		
CaGr p	12.70	13.33
Inco p	9.67	10.15
MuBd p	10.02	10.52
AARP Invst:		
CaGr	28.01	NL
GiniM	15.21	NL
GthInc	20.20	NL
HQ Bd	15.03	NL
TxFBd	16.72	NL
TxFSh	15.20	NL
ABT Funds:		
Emrg p	10.11	10.61
FL TF	10.24	10.75
GthInc p	unavail	
Utilin p	12.80	12.60
AdsnCa p	19.39	19.99
AEGON USA:		
CapApp	4.06	4.10
HiYld	9.67	10.15
Gwth	6.00	6.30
AFA NAv	10.77	11.31
AFA Tele	15.03	15.78
AHA Bal	11.09	NL
AHA Lim	10.09	NL
AIM Funds:		
Chart p	7.76	8.21
Const p	10.21	10.80
CvYld p	11.43	12.00
HiYld p	5.09	5.34
LimM p	9.91	10.09
Sumit	9.07	
Weing p	14.72	15.58
A M A Family:		
ClaGl p	8.11	8.51
GlbGt p	22.19	23.30
GlbIn p	18.53	19.45
USGv p	8.60	9.03
AMEV Funds:		
AstAl p	12.45	13.04
Capitl p	15.27	16.03
CaAp p	16.59	17.37
Fidcr p	24.64	25.80
GvTR p	8.87	9.29
Grwth p	22.34	23.45
HiYld p	7.15	7.49
TF MN	9.74	10.20
TF Nat	9.94	10.41
TF NY	10.50	10.99
US Gvt	9.61	10.06
AMP Funds:		
Co Bd	9.21	NL
IntILiq	10.46	NL
MtgSc	10.81	NL
ASO Eq	12.48	13.07
AcornF	41.35	41.35
Afuture	11.74	NL
Advance America:		
EqInc	9.84	10.33
TF Inp	9.78	10.27
US Gv p	9.17	9.63
Advest Advant:		
Govt p	8.47	8.47
Gwth p	14.86	14.86
HY Bd p	7.49	7.49
Inco p	10.88	10.88
Spcl p	13.53	13.53
AlgerSCp t	19.16	19.16
AlgerG t	16.22	16.22
Alliance Cap:		
Allan p	6.23	6.59
Balan p	12.36	13.08
Canad p	6.00	6.35
Count p	18.11	19.16
GlbSA p	10.14	10.73
Govt p	7.98	8.38
GrInc p	2.47	2.61
HiYld p	5.15	5.41
IntlA p	14.60	15.45
ICoIT p	12.39	12.97
InsMu	9.56	10.01
MonIn p	11.24	11.80
Mortg p	8.70	9.13
MtIIn	3.99	3.99
MAS A	9.89	10.20
MuCA	9.71	10.17
MuNY	9.71	10.17
NtlMu	9.71	10.17
NEur p	8.86	9.38
QusrA p	20.33	21.51
MMS B	9.90	9.90
ST Mlo	9.84	9.84
ST Mlb t	9.84	9.84
Tech p	24.48	25.90
WldInc	1.98	1.98
AlpnCA	10.07	10.41
Altura Funds:		
GvInt	10.08	10.50
Grwth	13.75	14.32
Inco	10.09	10.51
TF Inc	9.87	10.28
Amer AAdvant:		
Balan	10.99	NL
Equity	11.73	NL
LtdTr	9.88	NL
Amer Capital:		
Cmstk	16.49	18.02
CpBd p	6.47	6.79
EmGr p	18.38	19.30
Entrp p	12.92	13.71
EqInc p	4.41	4.68
Exch	91.36	
FdMo p	12.90	13.44
GvSc p	10.16	10.67
GvT97	10.27	10.59
GrInc p	11.52	12.22
Harbr p	13.69	14.53
HiYld p	5.46	5.73
MunB p	18.79	19.73
Pace p	12.84	13.62
TEHY p	10.63	11.16
TxE I p	10.88	11.42
AExpEV	12.90	13.16
American Funds:		
A Bal p	11.37	12.06
Amcp p	11.69	12.40
AMutl p	20.71	21.97
Bond p	12.79	13.43
CapIB p	27.87	29.57
CapW p	15.04	15.79
Eupac p	20.71	32.58
Fdlnv p	16.67	17.69
Govt p	13.31	13.97
Gwth p	21.64	22.96
HI Tr p	13.11	13.76

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OIL: Firm

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BONDS

(Continued from first

Hans Haas [illegible]

Michael Cavalier [illegible]

For Mr. Potts, all [illegible]

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Mitsui Taiyo Kobe Australia	$ 50	2001	½	102	—	Coupon will be ½ over 6-month Libor until 1994, and 9⅝% thereafter. Callable at par in 1994. Fees 2%. Denominations $250,000. (Mitsui Taiyo Kobe Int'l.)
Fixed-Coupons						
Mitsubishi Finance Int'l	$100	2001	9⅝	102	—	Callable at par from 1996. Fees 2%. Denominations $100,000. (Ryoko Securities.)
Mobil Australia Finance	$200	1994	8	101.161	99.82	Reoffered at par. Noncallable. Fees 1⅞%. (Goldman Sachs Int'l.)
Philip Morris Companies	$250	1996	8⅝	101.03	100.05	Reoffered at 99.53. Noncallable. Fees 1⅞%. (Deutsche Bank Capital Markets.)
Reed Publishing USA	$125	1996	9	100.92	99.50	Reoffered at 99.42. Noncallable. Fees 1⅞%. Denominations $10,000. (Credit Suisse First Boston.)
Toyota Motor Credit	$125	1994	7¾	100.628	—	Reoffered at 99.44. Noncallable. Fungible with outstanding issue, raising total to $325 million. Fees 1⅞%. (Credit Suisse First Boston.)
Landwirtschaftliche Rentenbank	DM 50	1994	10	101½	—	Noncallable. Redemption at maturity may be in shares of Commerzbank AG plus cash. Fees 1½%. (Merrill Lynch Bank.)
NordLB Finance Curacao	DM 50	1993	10¼	101	—	Noncallable. Redemption at maturity may be in shares of Daimler-Benz AG. Fees 1¼%. (NordLB.)
Trinkaus & Burkhardt	DM 100	1994	10	101⅛	—	Noncallable. Redemption at maturity may be in shares of Siemens AG plus cash. Fees 1½%. (Trinkaus & Burkhardt.)
MEPC	£150	2006	12	99.28	—	Semiannually. Reoffered at 97.405. Noncallable. Fees 2½%. Denominations £10,000. (Barclays de Zoete Wedd Securities.)
Crédit du Nord	FF 350	1999	9¼	99.80	—	Noncallable. Investors may reinvest coupons in additional, fungible notes. Fees 0.35%. Denominations 100,000 francs. Increased from 300 million francs. (Paribas Capital Markets.)
Crédit Local de France	FF 300	1999	4½	100	—	Redemption amount linked to the CAC-40 Index Future contract due May 1999. Noncallable. Fees not disclosed. (Société Générale.)
Electricité de France	FF 3,000	2001	9.30	99.576	98.78	Reoffered at 98.626. Noncallable. Fungible with outstanding issue, raising total to 13.80 billion francs. Fees 1.30%. Half of issue to be sold domestically. (Crédit Lyonnais.)
General Electric Capital Corp.	ITL 150,000	1996	11⅞	101.60	99.73	Noncallable. Fees 1⅞%. (IMI Luxembourg)
ABB Finance	ECU 100	1994	9¼	101.225	99.85	Reoffered at 100.05. Noncallable. Fees 1⅜%. (Natwest Capital Markets.)
Compagnie Bancaire	C$ 125	1994	10⅛	100.55	99.20	Reoffered at 99.40. Noncallable. Fees 1⅞%. (Merrill Lynch Int'l.)
Crédit Lyonnais	C$ 150	1996	10⅜	101.405	99.50	Reoffered at 99.83. Noncallable. Fees 1⅞%. (Merrill Lynch Int'l.)
General Electric Capital Corp.	C$ 150	1996	10	100.725	98.80	Reoffered at 99⅛. Noncallable. Fungible with outstanding issue, raising total to C$300 million. Fees 1⅞%. (Goldman Sachs Int'l.)
Stockholm	C$ 130	1996	10¼	101.35	99.25	Reoffered at 99¼. Noncallable. Fees 1⅞%. (Goldman Sachs Int'l.)
Asahi Chemicals Industry	Y 20,000	1998	7.20	101.175	—	Reoffered at 100.175. Noncallable. Fees 1⅞%. Denominations 10 million yen. (Daiwa Europe.)
Compagnie Bancaire	Y 6,500	1994	7.40	101⅜	—	Noncallable. Fees 1⅞%. Denominations 10 million. (Mitsubishi Finance.)
NEC	Y 30,000	1997	7.15	101⅜	—	Reoffered at 99.80. Noncallable. Fees 1⅞%. Denominations 10 million. (Daiwa Europe.)
NEC	Y 30,000	1999	7.15	101⅜	—	Reoffered at 99⅛. Noncallable. Fees 2%. Denominations 10 million. (Daiwa Europe.)
Teijin	Y 10,000	1999	6	95.15	—	Noncallable private placement. Fees 2%. Denominations 10 million yen. (Daiwa Europe.)
Equity-Linked						
Asahi Tec	$ 70	1995	4⅝	100	107.50	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set June 19. (Nikko Securities Europe.)
Fujisawa Pharmaceutical	$370	1995	4	100	101.25	Noncallable. Each $10,000 note with two warrants exercisable into company's shares at 1,763 yen per share and at 142.45 yen per dollar. Fees 2¼%. (Yamaichi Int'l Europe.)
Goldstar	$ 70	2006	3¼	100	98.25	Redeemable at 126.18 in 1996 to yield 7½%. Convertible into company's shares at 19,655 won per share, a 23% premium, and at 726.50 won per dollar. Fees 2½%. (Salomon Brothers Int'l.)
Kobe Steel	$370	1996	4½	100	—	Noncallable. Each $10,000 note with two warrants exercisable into company's shares at 531 yen per share and at 141.55 yen per dollar. Fees 2¼%. (Yamaichi Int'l Europe.)
Morinaga & Co.	$130	1995	4	100	104.50	Noncallable. Each $10,000 note with two warrants exercisable into company's shares at 668 yen per share and at 142.20 yen per dollar. Fees 2¼%. (Nikko Securities Europe.)
Nichirei	$100	1998	5½	100	—	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 810 yen per share and at 142.45 yen per dollar. Fees 2¼%. (Daiwa Europe.)
Sekisui House	$200	1996	4½	100	99.75	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2⅛%. Terms to be set June 18. (Nomura Int'l.)
Sumitomo Heavy Industries	$150	1995	4	100	—	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 747 yen per share and at 141.55 yen per dollar. Fees 2⅛%. (Daiwa Europe.)
Fujisawa Pharmaceutical	DM 150	1996	4½	100	99.25	Noncallable. Each 5,000-mark note with five warrants exercisable into company's shares at 1,763 yen per share and at 80.73 yen per mark. Fees 2¼%. (Yamaichi Bank Deutschland.)
Nichirei	DM 130	1996	4½	100	97.50	Noncallable. Each 5,000-mark note with five warrants exercisable into company's shares at 810 yen per share and at 80.70 yen per mark. Fees 2⅛%. (Nikko Bank Deutschland.)
Sekisui House	DM 250	1995	4	100	98.50	Noncallable. Each 5,000-mark note with five warrants exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set June 18. (Yamaichi Bank Deutschland.)
Banco de Santander	SP 40,000	1994	9	100	—	Noncallable. Mandatory conversion starting in 1992 into bank's shares at 5,215 pesetas per share, a 5% discount. Fees 2½%. (Swiss Bank Corp.)

China Copyright Laws Still Faulted by U.S.

Compiled by Our Staff From Dispatches

BEIJING — China has plans to meet international standards of copyright protection by 1992, but existing protection of intellectual property rights remains inadequate, a U.S. trade official said.

Joseph Massey, assistant U.S. trade representative for China and Japan, concluded three days of negotiations with Chinese officials on Saturday by painting a grim picture.

China's first copyright protection law went into effect on June 1, and its first regulations on protecting computer software were announced Thursday.

Mr. Massey said the software regulations contained "some steps forward, some steps backward and some nonsteps." One regulation requires foreign software developed outside China to be registered within 30 days of Oct. 1.

"We have a great deal of concern that the degree of protection is not up to international standards," Mr. Massey added.

The United States has given China until Nov. 26 to show significant improvement on copyright protection. After that, it may impose up to 100 percent tariffs on some Chinese exports.

Mr. Massey's visit was the first meeting between U.S. and Chinese trade officials since April, when China was put on a U.S. watchlist of countries whose protection of intellectual property rights was inadequate. India and Thailand also were named.

U.S. industries are estimated to lose more than $400 million annually in sales because of copyright violations in China, more than in any other country.

Chinese officials, however, told Mr. Massey they hope to meet international standards of intellectual property rights protection by 1992, he said.

Mr. Massey noted that U.S. exports to China, which had held steady for many years, declined by nearly $1 billion in 1990 from the previous year. U.S. exports to China last year totaled $4.8 billion dollars, while Chinese exports to the United States totaled $15.2 billion, according to U.S. government statistics. *(AP, Reuters)*

Traders Still Fear Inflation

Every Sign of U.S. Recovery Brings a Word of Caution

Compiled by Our Staff From Dispatches

NEW YORK — Like listening for the sound of one hand clapping, U.S. credit market analysts may find themselves waiting for a long time to see how the Treasury market overcomes its fear of inflation.

"How long does it take to convince somebody something is not going to happen?" asked David Resler, economist at Nomura Securities International Inc.

U.S. CREDIT MARKETS

Treasury issues appeared to shake off some inflationary fears Friday that have clouded the market since recent economic data began to show signs of a recovery.

But some economists say the yield of the long bond is still too high relative to underlying inflation.

"I believe the long end is overreacting. We expect to see a rally that would push yields down a bit," said Kenneth Ackbarali, senior economist First Interstate Bank Corp.

He noted the yield had edged down somewhat on Friday, after news that the U.S. consumer price index rose by only 0.3 percent in May and a late burst of buying lifted prices of Treasury bonds to their best levels of the day.

As a result, long-term interest rates fell, contributing to the late rally in the stock market. The market in long-term debt issues opened strongly Friday following the consumer price information and reports showing a 0.5 increase in industrial production last month.

While the rise in industrial output would normally be bearish for the fixed-income market, the gain was discounted because May's record hot weather stimulated sales and production of summer-related items, as well as the decline of 0.5 percent in inventories that the government also reported.

The economic data caused the price of the benchmark Treasury long bonds, the 8⅛ percent issue maturing in May 2021, to rise by about 18/32.

Subsequent selling and pre-weekend book squaring shaved the gain by 4/32 before the midafternoon rally began. Late in the day, the long bonds were being offered at 96 14/32, up by 20/32, causing the yield to drop to 8.45 percent, from 8.50 percent the day before and 8.47 percent a week ago.

Mr. Ackbarali said he saw the average yield in the second quarter at 8.24 percent, and even lower at 8.08 percent in the third. He expected inflation below 4 percent in the second half of 1991. "We don't expect inflation to be aggravated in the months ahead," he said.

Some in the market are less optimistic. Fred Leiner, market strategist at Continental Bank, said economic fundamentals do not suggest higher bond prices.

"If anything, fundamental factors are slightly stronger than expected," Mr. Leiner said. The market had already incorporated a lot of bad news. However, "for the next week, I am inclined to be a seller on rallies," he said.

The yield range of 8.45 to 8.50 percent, which had been support for the long bond as the price edged down, could now turn into a resistance level of sorts. "We should run into resistance fairly soon," he said, adding this would be partly due to the fear of inflation.

But some economists still believe the market's extraordinarily negative reaction was overdone.

"I think people are realizing they got too bearish too soon," said Christopher Rupkey, economist at Mitsubishi Bank Ltd. He said this was evident in the short end of the market, where the yield of two-year notes rose as high as 7.15 percent on Thursday. *(Reuters, NYT)*

Australia Seeks Greater Disclosure

Reuters

SYDNEY — The Australian Stock Exchange said Sunday that it wants listed companies to disclose more information on their earnings and transactions in a move aimed at repairing the country's tarnished corporate reputation.

However, the exchange plans to take less of a watchdog role, which is now in the hands of the fledgling Australian Securities Commission, formed just six months ago.

The exchange released proposed new rules following a seven-month review of its role, which has been under scrutiny because of the collapse of several high-profile entrepreneurs and the resulting blow to investor confidence.

The exchange said its role was to maintain a properly informed market. "ASX proposes to retain its regulatory role only where it is necessary to facilitate a fair and informed market," it said in a draft report.

Half-yearly reports would have to include balance sheet details with statements of assets, liabilities and shareholders' equity, segment reports and specified receipts, outlays, revenues and expenditures.

However, the exchange has decided against proceeding with an earlier proposal for quarterly reporting because it failed to gain sufficient public support.

The exchange has also tightened rules governing disclosure of transactions. Deals worth 5 percent or more of a company's net assets or which would affect profits by 5 percent more must be disclosed to the market. The exchange's current listing rules have a 10 percent disclosure level.

Deals involving the issue of securities and which involve related companies must have shareholder approval.

In addition, the exchange would require a company making a new issue of securities to provide financial information that is no more than three months old.

"This, coupled with the continuous disclosure requirement of the listing rules, should be of benefit to investors in making their investment decisions," it said.

Under the new rules, which the exchange hopes to introduce later this year, it would restructure the present main and second board markets into one official list.

JAPAN: *Many Europeans See a 'Looming Invasion'*

(Continued from page 1)

cating action against Japan's growing clout by forming a network of industrial alliances through cross-border mergers with firms in other European countries and in the United States.

Only the conservative British government has welcomed substantial Japanese investment, which has created jobs and revived a moribund automobile industry.

But this cooperative approach with Japan has envenomed Britain's relations with its partners in the Community. French and German officials openly criticize Britain for becoming Japan's Trojan Horse in the single European market.

East European countries are also eager to attract any kind of investment, but Japanese companies have held back.

Rather than blame poor planning and mediocre management for the sudden deterioration in Europe's key industries, leaders in government and business have been quick to accuse Japan of unfair practices.

Jacques Calvet, chief executive of the French automobile maker Peugeot SA, echoes Mrs. Cresson's argument claiming the Japanese should only receive the same trading access they grant to European companies.

But some analysts contend that the current spate of Japan-bashing from European business circles reflects frustration with their own failures.

Indeed, the Asian economic giant presents a convenient scapegoat for the many European companies that were woefully unprepared for the rapid shift in Japan's economic strategy away from the United States and toward the affluent Europe.

"A backlash against Japan is growing because government and business in Europe know they have missed the boat in new industries like information technology," said Konrad Seitz, the German Foreign Ministry's chief of policy planning and author of a recent book on Japan's economic threat to Europe.

"This is the big battle of our time, but there is no sign that we are getting our act together," he said. "By the year 2000, the nine Japanese sisters will have a virtual monopoly on the entire range of information services, including telecommunications, semiconductors and computers. The only remaining question is whether IBM will be number 10."

The switch in Japan's focus from the United States to Europe, analysts say, occurred because Japanese business leaders recognized that they had penetrated as deeply into U.S. markets as possible without provoking serious protectionist retaliation.

In turning toward the European Community, Japanese firms have cleverly waged an aggressive sales and investment strategy, playing one member country against another in cutting favorable deals or making investments in depressed regions that are grateful for any help in creating jobs.

Japan's recent success in targeting Europe was reflected in new statistics showing that while its trade surplus with the United States has dropped by 20 percent over the past year, Japanese exports are surging into Europe.

In May, Japan accumulated a surplus of $2.14 billion in trade with the Community, surpassing that with the United States for the second month in a row.

Individual Community countries cannot wield the club of protectionism because they have surrendered control over trade policy to the EC Commission in Brussels, which is engaged in negotiations with the Japanese.

The EC Commission is seeking to limit the market share of Japanese automobiles in Europe to 17 percent, or about 2.5 million cars, by the end of the decade. The Europeans are sharply divided, however, over how to count Japanese cars built inside the Community.

France and Italy are insisting that any trade quota arrangement with Japan must count the Toyotas and Hondas made in Britain as Japanese. London, on the other hand, contends they are bona fide British products.

Lobbyists Flock to Strasbourg

Agence France-Presse

STRASBOURG, France — The European Parliament is facing a boom in lobbyists as the European Community moves toward a unified market.

In three years, the number of lobbyists here has mushroomed from 300 to 3,000, according to the count made by a Dutch Socialist member, Alman Metten.

Six weeks ago, he got the parliament to order an investigation into the spectacular growth of those who are paid to influence the votes of members such as himself. A report is due by the end of the year.

Mr. Metten attributes the increase in lobbyists to the Single European Act of 1987, which gave the parliament more power to make rules as Europe moves toward a single market by the end of 1992.

"Virtually all European legislation is influenced by industry, which has even started directly initiating some projects," Mr. Metten said. He cited the strong efforts by the Dutch electronics giant Philips NV to influence European standards for high-definition television.

Some members admit receiving money from industries they were elected to regulate. Caroline Jackson, a British conservative, noted in a report on sweeteners that she was a consultant for a company in that sector, Mr. Metten said.

Under EC rules, all members must list their occupations in a public register, but not all their sources of income.

One member of the parliament, Glyn Ford of the British Labor Party, is campaigning to force lobbyists to wear badges.

Euromarts At a Glance

Eurobond Yields

	June 12	June 5
U.S. $, 8 yrs & over	8.87	8.82
U.S. $, 5 to 7 yrs	8.39	8.35
U.S. $, less than 5 yrs	7.84	7.73
Pounds sterling, less than 5 yrs	11.35	11.53
French francs, less than 5 yrs	9.35	9.32
Ital. lire, less than 5 yrs	11.79	11.59
Danish kroner, less than 5 yrs	9.87	9.79
ECU, 8 yrs & over	9.11	9.82
ECU, 5 to 7 yrs	9.88	9.81
Can. $, less than 5 yrs	10.32	10.29
Aus. $, less than 5 yrs	11.59	11.62
N.Z. $, less than 5 yrs	10.67	10.69
Yen, 5 to 7 yrs	7.05	7.05
Yen, less than 5 yrs	7.28	7.25

Source: Luxembourg Stock Exchange.

Weekly Sales — June 13

Primary Market

	Cedel $	Cedel Non$	Euroclear $	Euroclear Non$
Straights	11.90	782.90	458.60	1,204.10
Convert.	7.60	—	44.90	—
FRNs	3.00	22.20	197.00	213.00
ECP	4,267.70	3,651.30	8,442.40	5,204.40
Total	4,290.20	4,456.90	9,142.90	6,621.50

Secondary Market

	Cedel $	Cedel Non$	Euroclear $	Euroclear Non$
Straights	5,847.70	12,993.70	12,610.20	16,939.90
Convert.	282.20	406.90	610.80	470.70
FRNs	2,925.70	1,222.40	4,904.20	2,450.40
ECP	4,448.30	4,777.40	3,832.40	5,325.30
Total	13,423.90	19,400.60	21,957.80	25,186.50

Source: Euroclear, Cedel.

Libor Rates — June 14

	1-month	3-month	6-month
U.S. $	6⅛	6½	6½
Deutsche mark	8 15/16	9 1/16	9 3/16
Pound sterling	11 7/16	11¼	10⅞
French franc	9 11/16	9 11/16	9 11/16
ECU	10 1/16	10 1/16	10
Yen	8	7 13/16	7¾

Sources: Lloyds Bank, Reuters.

U.S. Treasury Bonds — June 14

Maturity	Close Bid	Ask	Yield	Wk.-ago yield
31.05.93	99 19/32	99 21/32	6.97	6.99
15.05.94	99 1/32	99 3/32	7.37	7.41
31.05.96	98 26/32	98 28/32	7.92	7.95
15.04.98	98 18/32	98 20/32	8.15	8.17
15.05.01	98 6/32	98 8/32	8.27	8.28
15.02.06	107 21/32	107 25/32	8.46	8.48
15.08.20	96 12/32	96 14/32	8.46	8.48

Source: Salomon Inc.

U.S. Consumer Rates — June 14

Tax Exempt Bonds	
Bond Buyer 20-Bond Index	7.32 %
Money Market Funds	
Donoghue's 7-Day Average	5.48 %
Bank Money Market Accounts	
Bank Rate Monitor Index	5.17 %
Home Mortgage, FHLB average	9.46 %

Source: New York Times Service, UPI.

OIL: *Firms and Environmentalists Agree on Energy Industry's Problems*

(Continued from first finance page)

security and environmental clean-up will be enormously expensive to attain.

According to estimates prepared for the conference by Ernst & Young, the capital requirements of the oil and gas industries alone will exceed $1 trillion in the next 10 years. Compliance with environmental standards in other industries will cost as much as $300 billion in the same period.

• The growth in demand for oil, especially in the Third World, and the need to maintain a cushion for times of crisis like the Gulf war will require a large increase in oil production capacity worldwide. Antonio Casas-Gonzales, managing director of Petróleos de Venezuela SA, estimates that OPEC countries alone would have to increase production capacity by 50 percent before the end of the decade.

• Though fossil fuels will remain the principal fuel for the global economy for several more decades, the policies that eventually emerge from the ongoing discussions around the world must promote a better mix of energy sources.

Of the current growth in energy demand, 95 percent is met by fossil fuels.

• The volatility of oil prices and the insecurity of supply could be acute for the rest of the decade, despite the Gulf war. That is because of the risk of political breakdown in the Soviet Union and in the Middle East.

• Both for reasons of energy security and to promote a cleaner environment, a re-run of the debate over nuclear energy may be necessary. "I am not saying that nuclear is the answer, but it is one of the answers," said Helga Steeg, executive director of the International Energy Agency.

• Continued economic growth is necessary not only to finance the massive investments needed to expand and diversify energy supplies but to sustain consumer support for new technologies and environmentally safe products.

"We will not get a decisive shift away from fossil fuels without the support of public opinion, but public opinion is pretty cavalier about energy," Ms. Archer said.

• The free market alone cannot assure any of the main objectives on the environment and energy — neither price stability and security of supply, nor diversification of energy sources and promotion of clean fuels. "It will require a combination of command-and-control and market-based policies," Mr. Anderson said.

• Most solutions must be the result of international consensus. Delegates said that in the absence of a level playing field, most policies would only be partly effective.

As a result of these and other problems facing the world, nobody questioned calls for cooperation to establish environmental standards and energy policy as well as to find ways to share the financial burdens that would be involved.

■ Soviet Oil Exports to Drop

The Soviet Union's oil exports are likely to be nearly halved by the mid-'90s unless it embraces market economics at breakneck speed, a Moscow-based economist said. His comments at the Wealth of Nations conference in Edinburgh were reported by Reuters.

Eugene Khartukov, an adviser to the Soviet government, said the more likely slow switchover to the capitalist style would lead to exports falling to 1.6 million barrels per day by 1996.

Mr. Khartukov said the way the Soviet Union was heading, exports in 1991 would be 600,000 barrels per day below 1990's three million barrels per day.

He also said sagging Soviet oil output could leave the world vulnerable to another oil price shock in the mid-1990s.

GOLD: *Losing Its Place*

(Continued from first finance page)

lative interest, the major pillar of demand recently has been the jewelry industry. But in spite of absorbing record amounts last year, it has not inspired price increases.

As a result, dealers believe that some producers may start cutting production.

South Africa, where some mines are unable to operate profitably at the current price, saw production stagnate last year and the bulk of growth was recorded in North America and Australia, where costs are significantly cheaper.

In fact, a production increase of 10 percent in the United States last year made analysts expect it to soon pass the Soviet Union, plagued by mine strikes and production difficulties, as the world's second-largest producer behind South Africa.

Spain to Block Ferruzzi Bid for Olive Oil Maker

Compiled by Our Staff From Dispatches

MADRID — The Spanish government said that it had taken measures to block a possible takeover attempt by the Italian food group Ferruzzi Finanziaria SpA of the Spanish olive oil maker Elosua SA to ensure the company remains majority Spanish-owned.

Spain's Ministry of Agriculture said that "pertinent measures" had been taken to block any takeover attempt on Elosua.

The ministry added that the olive oil business was a "strategic" sector in Spain for social and economic reasons.

On Friday Ferruzzi bought through its Spanish subsidiary, Koipe SA, 24.9 percent of the shares of Elosua jointly held by the French bank Paribas and the Belgian firm Fidinam Fiduciaire. Koipe, a vegetable oils producer, said it was prepared to bid for the rest of Elosua's stock.

The transaction cost Koipe 7.02 billion pesetas ($62 million). *(AFP, Reuters)*

BONDS: *U.S. Recovery Signs Spur Interest Rate Fears*

(Continued from first finance page)

valuation basis of the U.S. equity and bond markets."

Hans Baer, head of Bank Julius Baer in Zurich, allows that "the dollar may have some strength left, but I personally am apprehensive. I just don't quite see it."

Michael Cowan of Morgan Stanley Asset Management in London says that "I'm still bullish on the dollar, but a lot less aggressive."

For Mr. Potts, all this adds up to "two difficult, bumpy months as financial markets adjust to the post-recession environment and investors sit back and wait for a clearer vision of the shape of the recovery." He is convinced that by the fourth quarter an explosive rally will be under way in bond markets as investors realize that interest rates are not headed higher.

But for the Eurobond market last week, those fears were pervasive, leaving underwriters holding large amounts of unsold paper.

Bankers said that the problem of unsold bonds was aggravated by the fact that many of the new issues — particularly in U.S. and Canadian dollars — were priced aggressively on the assumption prices would rally and yields would continue to decline.

The most notable offering of the week was Electricité de France's 3 billion French francs of 10-year bonds that are interchangeable with an existing issue which now totals 13.8 billion francs. Such large issues are favored by institutional investors.

Half the issue was earmarked for sale domestically and half for sale internationally. In contrast to the Treasury's requirement that foreign underwriters of its Ecu issues be located in Paris, the international portion of EdF's issue was open to underwriters not operating in France.

This week, Norway is expected to make its maiden offering of Ecu bonds. Although not a member of the European Community, Norway late last year announced that the krone would begin shadowing the Community's fixed exchange-rate mechanism. Norway is expected to issue 1 billion Ecu of five-year notes.

IRAN: *A New Economic Course*

(Continued from first finance page)

a nation that was steeped for years in isolationism but has finally admitted it needs outside help.

According to Deputy Finance Minister Mehdi Navab, "there is no limitation from our side" on participation by U.S. companies in this potential bonanza. But as a practical matter, continuing official hostility here to the United States and the lack of an official American presence ensure that most contracts will go to European, Canadian and Japanese companies.

The amount of work to be done is staggering. Iran needs roads, hospitals, telecommunications facilities, natural-gas pipelines, agricultural equipment, offshore oil-drilling platforms, computers and power plants.

The Islamic Revolution of 1979 drove out many entrepreneurs. They took a lot of their capital with them, abandoning factories and essential businesses that the government was obliged to take over without knowing how to run them. Private investment came to a halt.

The eight-year war with Iraq, which cost an estimated $5 billion to $9 billion a year, drained the treasury. The war destroyed entire cities and crippled oil installations along the Gulf. Export markets for Iranian products dried up.

A massive earthquake in 1990 devastated parts of northern Iran.

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WALL STREET REVIEW

Figures as of close of trading Friday, June 14.

NYSE Most Actives

	Vol.	High	Low	Last	Chng.
PepsiC s	140969	31⅛	29⅝	30⅞	+ ¼
RJR Nb n	106794	11	10⅛	10¾	+ ⅜
PhilMr	84777	66⅞	64⅝	66⅝	+ ⅞
IBM	82600	103½	99⅝	100⅝	—1⅛
AmExp	78171	24⅞	23	24½	+ ¼
OcciPet	76985	23⅛	21⅝	22⅝	+1⅛
Citicorp	73249	17⅛	16¼	16⅝	— ⅞
TelMex n	71430	27⅞	26⅝	27⅞	— ¼
Glaxo	69416	43	40½	42⅝	+ ¾
CmpAsc	63304	10⅝	9⅛	10⅝	+1⅛
GnMotr	61082	44¼	41⅞	44¼	+2⅝
AT&T	54625	37⅛	36⅛	37⅛	+ ¾
WalMt	54014	43⅝	41⅝	43⅝	+1⅝
JohnJn	53890	87⅛	84⅝	85½	—1¼
Varity	51418	2⅝	2½	2⅝	+ ¼
Saatchi	51282	1	⅞	1	+ ⅛
RdrDg	49376	35¾	33⅛	35⅛	+2⅛
GenEl	48986	75¾	73⅞	75⅝	+1½
MIN	48782	8⅛	7⅝	7⅞	— ⅛
Exxon	48623	58⅝	57½	58¼	+ ¾
FordM	48552	36⅞	34¼	36⅞	+1¾
Boeing	48147	49⅝	47⅞	49⅝	+1¾
BlockE s	47311	9⅛	8⅞	9	— ⅞
Compq	46758	36⅝	34	34⅛	—2⅝
GTE	44821	30	29⅛	30	+ ⅛

AMEX Most Actives

	Vol.	High	Low	Last	Chng.
BAT In	124411	12⅛	11⅝	11⅝	— ⅝
v|CntAr	23970	2⅛	1⅞	2	— ¼
EchoBy	22095	10⅛	8⅛	8⅞	— ⅝
ENSCO	20403	3¼	2⅞	3	— ¼
WangB	20225	4	3	3⅞	+ ⅜
ChDvA s	13977	26¼	24½	26	+1
IvaxCp s	13902	28⅝	23¾	28⅝	+3¾
Amdhl	11360	16¼	15⅜	15⅞	— ⅞
FruitL	9677	15⅞	14⅞	15	— ¼
Telesph	8326	1⅜	⅞	1¼	+ ½
DowC rt	8220	8⅛	7½	7¾	+ ⅛
CarnCr	7771	23¼	22½	22⅞	— ⅛
PegGld	7579	14	12⅝	12⅞	— ⅞
ForstL s	7430	36⅞	34½	36⅞	+2⅝
TelDta	7167	32⅝	31⅛	31¾	—1¼
ViacB n	7121	29⅛	27¼	27⅞	—1½
A-dd sc s	6967	12⅞	10⅞	12⅝	+ ¾
PallCp s	6775	37⅝	34⅞	35⅝	—1⅝
BergBr	6390	26⅞	26⅛	26⅝	+ ⅛
PW Nk pwt	6260	8⅛	7½	7¾	+ ⅛
EksNk wt	6048	8¼	7½	7½	+ ⅛
Elan	5905	33⅞	32⅝	32⅞	
MoogmC	5691	6⅝	6	6⅛	— ⅛
Hilhav	5622	2⅝	2½	2⅝	
FAusPr	5166	9⅝	9⅛	9⅝	+ ⅛

NYSE Sales

	Sales Vol.
Total for week	771,930,800
Week ago	883,420,080
Year ago	119,550,800
Two years ago	151,440,000
Jan 1 to date	21,127,070,000
1990 to date	18,249,400,000
1989 to date	19,550,030,000

AMEX Sales

	Sales Vol.
Total for week	51,870,080
Week ago	70,190,080
Year ago	9,340,080
Jan 1 to date	1,504,610,000
1990 to date	1,638,550,000

NYSE Diaries

	This Wk	Last Wk
Advanced	856	828
Declined	1058	1124
Unchanged	310	289
Total Issues	2224	2241
New Highs	123	293
New Lows	41	26

AMEX Diaries

	This Wk	Last Wk
Advanced	303	370
Declined	456	427
Unchanged	209	179
Total Issues	968	976
New Highs	41	69
New Lows	32	19

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NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, June 14.

			Sales in 100s	High	Low	Close	Net Ch'ge
A							
A&W Bd	.40	1.1	4538	35	33	35	— ¾
ABS	.32	5.6	45	6¼	5¾	5¾	— ⅛
ACC Cp	.16	1.5	723	11½	10¾	11	— ⅛
ADC			4111	42¾	40¾	40½	—2
ADT	1		11136	13¾	12⅞	13	
AEL			147	6½	6⅛	6⅛	— ⅛
AEP			18	13½	12¾	13½	— ⅛
ASK			572	8½	8	8⅛	— ¼
AST s			31335	23¼	20¾	22¾	
AamRt	.10	1.1	174	9½	8½	9½	+1¼
AbineB			116	5	4¼	4¼	
Abrams	.20	6.4	330	3⅛	3	3⅛	— ⅛
Accel	.24	2.7	128	10	9	9	— ¼
Aclaim			2367	3⅞	3⅛	3½	— ⅛
Aceto	.28	2.2	209	13	12½	12½	
ACMT			26	11½	11¼	11¼	—1⅛

(Continued on Page 14)

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FRENCH SALES MANAGER, strong int'l business and engineering experience (industrial/aeronautical/high-tech products). Fluent English, German, Italian and Spanish, retiring and offers freelance commercial services. Reply Box 2261, I.H.T., 92521 Neuilly Cedex.

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An International Organization invites applications for the undermentioned positions which will be vacant shortly.

ARCHIVAL CLERK. (FF10,410 gross per month) - Position requires a capacity for records management, a knowledge of office machines, fluent English and ability to work in French.

ACCOUNT CLERK. (FF9,319 gross per month) - Position requires previous book-keeping/accounts experience and experience with computers and French.

RECEPTIONIST/REGISTRY CLERK (FF8,684 gross per month) - Position where mornings are reception duties and afternoons will be records management work.

Applications should include C.V., photo and testimonials and should be addressed to: Box 2262, I.H.T., 92521 Neuilly Cedex, France before 21 June 1991.

TELEPHONE PROFESSIONAL

American Investment Consulting Firm seeks a take charge, enthusiastic Sales Pro to establish Euro telemarketing operation. Compensation potential £50-£75,000/year. Highly successful U.S. program. No cold calling. You must be aggressive and experienced at closing the sale. Contact Richard Allen, tel. 202-544-3000 USA. Reply Box 5282, I.H.T., 850 Third Ave, 10th fl, NY, NY 10022

MADAGASCAR FORESTRY ADVISOR Forester for survey of Madagascar's classified forests. Fluent French. Start Aug./Sept. 1991. Salary U.S. $35,000 + depending on experience. Please fax 1-page CV. to:
CONSERVATION INTERNATIONAL
Washington, D.C., 202-887-0192.

AMERICAN LIBRARY IN PARIS seeks Head of Circulation, knowledge American library operations. Bilingual, organized, work well with public, French/EEC working papers. Hours: Tuesday-Saturday, some weekends & evenings. CV to Search Committee, American Library in Paris, 10 r du General Camou, Paris 7th.

AGENCE DE PRESSE RECHERCHE standardiste, parfaitement trilingue, anglais/espagnol, parfaite maîtrise du standard Telic Alcatel. Libre de suite jusqu'à mi-decembre. horaire: 8:00-17:00, du lundi au vendredi. Bonne présentation, dynamique. Tel: Paris (1) 47 43 47 43, demander Maryse

SOCIETE SPECIALISE en promotion publicitaire, filiale d'un groupe international cherche comptable experimenté (e), BTS ou equivalent exigé Anglais courant, travail sur ordinateur, suivie administratif. Poste intéressant et évolutif. Envoyer CV a: Michelle Palomeno, 8 bis rue Lecuirot 75014 Paris

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TRAVEL ASSISTANT
to Fashion Director. First class conditions. Write with photo to Box 2263, I.H.T., 92521 Neuilly Cedex, France.

FEMALE PERSONAL ASSISTANT career opportunity in int'l business management. Photo model appearance & a need for business. All expense + excellent salary benefits & incentive. Send resume/full length photo to P.O. Box 71, Dunbar, PA 15431 USA.

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TRANSLATOR/OFFICE ASSISTANT wanted for part-time position in Rome. English mother tongue and good knowledge of Italian required. Available early July. Rome (39-6) 4871362

ARTIST REQUIRES retired sales executive living in Monte Carlo to manage his clients. Tel (39-183) 92169

GENERAL POSITIONS WANTED

VERSATILE WRITER-EDITOR 35, seeks challenging position in EC, especially France. Self starter, 10 yrs. experience magazines, newspapers, corporate communications in Toronto/Montreal. Generalist portfolio strong on business, technology, arts/film topics. Superb French, good German, Spanish. For CV: D.W. Editorial, 8600 25th Ave., No 5, Montreal, H1Z 4B2 Canada.

EUROPEAN LADY RESIDENT IN Switzerland and Brazil, seeks position as P.R. or P.A. Worldwide travel experience: 6 languages. Willing to travel. Write chiffre 24-901254 PUBLICITAS, 6901 Lugano (CH)

ENGLISH LADY, 25 YEARS, fluent French, Spanish, German. Bachelor of Arts. Interpreting and translating, typing 60 wpm, shorthand 100 wpm. Word processing, seeks challenging personal assistant job in arts/media. Available now. Tel Barcelona (34.3) 209 47 13.

YOUNG SALES PERSON, 32, with strong negotiating & inter-personal skills, college-university degrees, fluent French & English + German & Arabic. 5-yrs Int'l sales experience seeks direct sales position. Ready to travel extensively. Reply Box 7259, I.H.T., 92521 Neuilly Cedex, France.

WHARTON SCHOOL jeune diplomé (école de Commerce) 24 ans, avec premières expériences en finance et comptabilité + recherche en stage de longue durée à partir de Septembre. Bilingue Anglais Français. Contact M. Rapallo 20, bis rue Ph. Hoffmann, 93110 Rosny/Bois. Tel (1) 44 72 02 18.

COPY WRITER. American writes crisp, creative marketing material image & product brochures, ads, press releases, etc. seeks position. Design & production available. Darrel Joseph, Rennprechtsdorferstr. 17, 1050 Vienna, Austria. Tel 1-5559134 Fax 1-53124153.

CREDIT/COMMUNICATIONS Specialist, male, 27, university graduate, with management experience. Spanish-English. Seeks job opportunity in Europe, prefer Madrid. For CV G. Crick, 2900 1st, N-107, Seattle, WA 98121 USA. Tel: 206/728-5931.

GOOD LOOKING FRENCH graduate, 27, well educated, experienced in movie industry, fluent in French & Spanish looking for position as personal assistant. Will relocate and travel. Reply Box 5280, I.H.T., 850 Third Ave, 10th fl, NY, NY 10022

AMBITIOUS, DYNAMIC, French American, 37, with degree in Int'l Relations, Politics, Diplomacy & cultural affairs seeks top PR post, based Paris travel if necessary. Spanish with notions of German & Swedish. Box 2264, I.H.T., 92521 Neuilly Cedex, France.

Very Attractive
Sophisticated Swedish Model
seeks position as Personal Assistant/Travel Companion. Los Angeles tel (213) 285-1362 US

YOUNG AMERICAN, BILINGUAL woman, world traveler, strong managerial, retail, customer service, sales background seeks career position in Paris. Write to: C. Rowe, c-o Nyaz, 8 Rue Du Dunot, Paris 75008

AMERICAN MAN, 34, 11 years travel industry experience. English, French, German. Zurich based. Seeks challenging position with international company in USA or eventually Europe. Call evenings 41 + 1/853.0141

CULTURED LADY, multilingual, teacher for color & design at Paris best modern art school seeks serious position for summer or +, planning/language lessons, childcare, company, preferably near sea. Paris (1) 46.61.46.20

SOPHISTICATED FRENCH LADY, business experience, fluent English, seeks job as PA/personal representative/interpreter to executive. Free to travel. Tel Paris (33-1) 42 50 97 04

ARCHITECTURE STUDENT (29) from Mackintosh School Glasgow, seeks temporary position in architectural practice outside UK. Tel 41 357 0408

ENGLISH SOLICITOR, 38. Qualified 14 years. Seeks interesting post. Some French and German. Box 3310, I.H.T., 63 Long Acre London, WC2E 9JH

WORLD STOCKS IN REVIEW

Via Agence France-Presse

Amsterdam

The Amsterdam exchange was in a consolidation phase last week, dealers said. The CBS all-share index closed on Friday at 201.6, down slightly from 201.7 the previous week.

Traders said the tiny drop of the index was due to increased bond yields and negative price developments on Wall Street, and to the dollar's rally.

Volume remained low at 5.5 billion guilders, of which 2.4 billion was in equities. A week earlier, it was 5.4 billion guilders, with 2.8 billion in equities.

Frankfurt

The DAX stock indicator reached the a high for the year on Tuesday, but profit-taking pulled the market back for a net loss of 0.58 percent on the week.

The strong performance early in the week changed on Thursday, in response to profit-taking and to rumors about interest rates. Weakness on Wall Street and in Tokyo also made traders wary.

The DAX indicator closed below 1,700 at 1,699.83 points, a loss of 9.81 on the week. The Commerzbank index lost 5.30 to 2,020.50 points.

On all German exchanges, volume fell to 34.36 billion Deutsche marks from 41.73 billion the previous week.

The bond market was dull, and the average yield on government issues was unchanged at 8.48 percent.

Hong Kong

Share prices rose slightly in dull trading, with the Hang Seng Index gaining just 1.38 points, or 0.04 percent, to close Friday at 3,639.15.

Average daily turnover shrank to 769 million Hong Kong dollars from 1.01 billion Hong Kong dollars the previous week.

The market opened in a dull mood Monday with the key barometer shedding 16.58 points. Investors appeared wary over local issues concerning China, which is to resume sovereignty here in 1997.

London

Share prices advanced slightly in London, even though an expected interest-rate cut failed to materialize.

The FT-SE 100 share index gained 16 points on the week to 2,522.3, and the FT-30 index 21.1 to 1,976.3.

Figures on producer prices and pay increases, which indicated that inflationary pressures were abating, sparked a flurry of optimism that interest rates would be cut further. But gains at the beginning of the week were virtually wiped out as the Bank of England signaled that interest rates would remain unchanged for at least another week.

Milan

Milan stocks suffered a tiny loss of 0.17 percent last week. The MIB index closed on Friday at 1,182 compared with 1,184 the previous Friday.

Volume was also down slightly, to 62 million shares a day on average, against 65 million the previous week. But value was unchanged at 220 billion lire a day.

Fiat shares were in strong demand, and the issue jumped by 8.23 percent on the week. The De Benedetti group also did well, with CIR rising 6.27 percent and Olivetti up 5.69 percent. Pirelli advanced by 5.77 per cent.

Paris

The Paris Bourse managed a slight gain of 0.3 percent on the week, despite what traders called widespread investor mistrust. The the CAC-40 stock price indicator finished the week at 1,858.17 points.

Analysts noted that further signs of U.S. economic recovery reduced hopes for lower U.S. interest rates, which might spill over into the French market and help French business and the Bourse. On the other hand, a stronger American economy will be a substantial help to many French businesses dependent on export markets.

Traders added that some potential investors, particularly foreigners, still mistrust the Cresson government, and also worry about French labor conflicts.

Singapore

Trading was dull for most of the week on the Singapore exchange. The ST industrial index fell 22.68 points to close the week at 1,527.50, while the broader-based Stock Exchange of Singapore all-share index dropped 4.87 points to 413.79.

The week's turnover fell to 158.7 million units valued at 371.1 million dollars from the previous week's 223.2 million shares worth 570.43 million dollars.

Tokyo

Tokyo share prices were narrowly mixed in dull trading driven largely by arbitrage dealing ahead of the expiry Friday of June futures and options contracts.

The Nikkei Stock Average closed at 25,093,89 yen for a marginal 58.78-yen or 0.23 percent weekly advance, following a hefty 754.51-yen setback the previous week.

The composite Tokyo Stock Price Index of all stocks on the market's first section ended at 1,920.58 points, down 1.91 from the previous Friday.

Daily turnover averaged 362 million shares worth 484 billion yen up from the previous week's 259 million shares worth 329 billion yen.

With worries about the June futures and option contracts falling due for liquidation weighing heavily on investors' minds, trading was extremely thin for the first four days of the week.

As the possibility of a discount rate cut by the Bank of Japan waned, investors turned away from large-capitalization stocks and shifted attention to the second section or over-the-counter stocks.

The active trading at the end of the week will not be carried over into the new week, as there are no fresh incentives in sight, dealers said.

Zurich

Zurich stocks lost ground last week in dull trading with very low volume.

The Swiss Performance Index ended the week at 1,112.8, down from 1,120.8 the previous Friday, while the Crédit Suisse indicator declined to 546.3 points from 549.4, and the Swiss Bank Corp. index fell to 628.9 from 633.3.

Traders said that good U.S. economic figures in the latter part of the week helped revive the Zurich market a bit on Friday.

In the banking sector, Union Bank of Switzerland lost 10 francs to finish at 3.650 and Crédit Suisse 60 to 1,915, while Swiss Bank Corp. was unchanged at 332. Insurance issues were also under pressure.

After-Hour Trading: Wall Street Yawns

By Kurt Eichenwald

New York Times Service

NEW YORK — The extension of trading by the New York Stock Exchange last week lasted little more than an hour and was greeted with a yawn on Wall Street.

Only about 2.24 million shares, worth about $56.8 million, changed hands in the two sessions. By contrast, some 167 million shares, worth $5.9 billion, changed hands on the New York Stock Exchange on Friday alone.

Yet the extended trading hours signaled one of the most significant fights for power in the global financial marketplace in decades.

On one side of the battle is the Big Board itself. On the other are the exchanges, including those in London and Tokyo, that have thrived in the last decade as the business of trading securities has become increasingly global.

The extended trading is the first step on a march toward continuous 24-hour trading at the world's pre-eminent stock exchange, a goal officials say they hope to reach by early in the next century. On Friday, the exchange said it was exploring beginning trading before the traditional opening at 9:30 A.M., although exchange officials declined to confirm reports that a 9:00 A.M. opening was under consideration.

The exchange did not turn to after-hours trading without being pushed. As more and more business slipped offshore to foreign exchanges, the Big Board was faced with the choice of adapting the rules that have evolved over centuries or risking a slow, but increasing, loss of business.

The New York exchange estimates that, not counting the volume that goes to the regional exchanges, about 15 million to 20 million shares of stock a day are bought and sold outside of American trading hours.

Exchange officials say they expect the demand for off-hours trading to grow significantly. "Because the participants in the market are being spread around the world, rather than only in the United States, there will grow in the next five to ten years a desire to trade in hours beyond the traditional session," said Richard Grasso, executive vice chairman of the New York Stock Exchange.

But the biggest beneficiary of the Big Board's march toward globalization will not be the exchange itself, but rather American companies, who expect to find in a 24-hour market new investors to buy and sell their securities.

"Ultimately, the reason you want to drive toward this is that the free flow of capital across international lines makes it easier for companies to raise money," said Jeffrey Miller, a partner with Miller Tabak Hirsch & Co., a New York investment banking company. "Removing artificial geographic constraints will lower the cost of capital."

COCOM: *New Rules Aim to Make Life Easier for High-Tech Exporters*

(Continued from first finance page)

of the changes some of the dual-use items will come off the list.

He suggested that manufacturers seeking to export products until now considered to be purely military should try to establish a history of usage in the commercial area and then apply for the product to be dealt with under COCOM regulations rather than according to the State Department list.

The COCOM countries decided on the changes at a high-level meeting last month. The intention was to scrap COCOM's unwieldy industrial list and replace it with a *core list containing items of strategic importance.*

Mr. Anstead said that when the new regulations come into force, about half the prohibitions now on the COCOM list will disappear, while the same five criteria will be applied to all products remaining on the list — assemblies and components; test, inspection and production equipment; materials; software, and technology transfer.

"There is a new determination to apply the rules in a harmonized fashion," Mr. Anstead said. "We really tried to come up with a simplified list that is easier to interpret, easier to translate."

Simplification does not mean a *reduction in the enormous amount* of paperwork generated by COCOM.

Because specifically banned items will in the future have to be listed one by one, the voluminous regulations may grow.

Mr. Anstead suggested that exporters and manufacturers should write to the Commerce Department or the equivalent organization in their own countries to ensure that items they wish to export are not on the new proscribed list.

While this is not a legal requirement, he said that having an official letter from the government would help overcome problems with customs and make the regulations easier to apply.

'There is a new determination to apply the rules in a harmonized fashion. We really tried to come up with a simplified list that is easier to interpret, easier to translate.'

Robert J. Anstead, U.S. *Commerce Department*

"Customs officials often have to make snap decisions with little knowledge," he said.

Mr. Anstead said the United States is planning to publish the new regulations in the Federal Register this summer to give manufacturers a chance to study them before they go into force.

While easing export rules, the rules continue to apply restrictions to technology transfer.

"The new philosophy is that you can ship what you want, but you must retain control of the technology," Mr. Anstead said.

The COCOM regulations apply only to exports to the Soviet Union and its actual or former allies. They have nothing to do with other restrictions applied by individual countries, such as the U.S. restrictions on exports to Vietnam or travel to Cuba, or to the international embargo on trade with Iraq.

But COCOM can and does intervene when it is proved that prohibited goods are going to the Soviet Union through a third country.

An international ban on shipping chemical precursors to countries suspected of having a chemical weapons industry is administered by a separate organization called the Australia Group, which includes most of the COCOM members.

The United States and the Soviet Union both have pledged to refrain from shipping nuclear technology to countries that do not possess nuclear weapons.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, June 14.

(Continued)

Stock	Div	Yld	Sales in 100s	High	Low	Close	Net Ch'ge
VWR	.80	4.9	78	18	16¼	16¼	—1¾
Valcom			25	14	12½	12½	—1
ValidLg			6300	3¼	2⅞	3	— ⅛
Vallen s			252	20½	19	19½	— ⅛
ValyBc	1.20	4.9	830	24¾	24	24¼	— ¼
VlyCap	.80	4.2	127	20¼	18½	19	—1
VlyBcp	1.36	5.3	168	25½	23	25½	+1½
ValNtl			11409	25¾	24¼	24¾	— ⅞
ValliCor	.05e	.8	226	6¾	5¾	6⅛	+ ⅛
Valmnt	.26	1.7	261	16¼	14¾	14⅞	— ⅞
ValHlth			5674	16⅛	15⅝	15⅝	— ¼
ValLn	.60	2.6	3	23½	23½	23½	
ValMer			3384	19½	18½	19½	+ ⅝
VanFed			8	17¾	17⅝	17¾	+ ⅛
VardCl s			15067	21½	19¾	20½	—1¼
VREF II	.60a	7.3	42	8¼	8	8¼	+ ⅛
VREF I	.69e	7.9	346	8¾	8⅜	8¾	+ ⅜
VariCre	.04	1.0	272	4¼	3⅜	4	— ⅛
Varitrn			327	8¼	8	8¼	+ ⅛
Varlen	.60	4.4	453	14¼	13½	13⅝	
VeloBd			133	8⅝	8	8	— ⅜
Vencor			2372	36	34¾	35⅝	— ⅛
Ventrex			363	⅞	¾	¾	— ⅛
VenCtv	†		198	7¼	6¾	6¾	— ¼
Venturn	.14e	1.6	8	9	8½	8½	
Verifne			14037	18½	17¼	18¼	+ ¼
VtFin	.60	7.5	659	10¼	7¾	8	—1¾
Versa	.24	1.7	187	15	13¾	14½	+ ¾
Vestar			1749	8¾	8	8	— ¼
VertexC			419	9¾	8½	9	— ¾
Vicor			2094	40½	37½	40	+1
Vicorp			6174	31¼	28½	28⅝	—1⅛
VictBn			85	11	10½	10½	— ¼
VictCr			45	1	1	1	
Videcrf			7142	10⅝	8⅝	9⅛	—1½
VidDsp			109	5½	4½	4½	— ¾
Vidmrk			290	4⅛	4	4	— ⅛
Vie deFr			1442	2	1⅝	1¾	— ⅛
Viking			465	19¾	18¾	19⅝	+ ⅞
VillFinl	.50e	.5	427	11¾	10⅞	10⅞	—1
VllSpM	.15	1.5	1312	9¾	8¼	9¾	+1⅛
Virotek			574	5⅝	4⅝	5¼	— ⅛
VaBch	.16	5.8	628	3	2⅝	2¾	— ¼
VitalSgn			1964	18	16¾	16¾	— ½
Vitalnk			1851	10½	10¼	10⅜	— ⅛
Vivigen			318	20	19¾	20	+ ½
Voltinf			20	11	11	11	+1
Volvo	2.51e	4.2	798	59¼	54⅞	59¼	+5¼
W							
WD 40	1.72	5.6	438	31½	30	30¾	— ¼
WLR Fd	.32	1.7	927	19	18¼	18⅝	— ¼
WPP Gp	1.11e	22.2	4131	5⅛	4¾	5	— ⅛
WSMP			4	3½	3½	3½	— ¾
vlWTD			238	1⅝	1⅝	1⅝	+ ⅛
Walbro			99	11½	10½	11¼	— ¼
Walshr	.20	1.7	37	12	11½	11½	— ½
WrhseC			28	1⅛	⅞	1⅛	
Warntc s			1442	2⅞	2½	2⅝	— ⅛
Warren			210	2⅛	1¾	2	— ⅛
WshBcp			185	3¼	2¾	3¼	
WashEn	1.40	6.4	1915	22½	21½	22	— ⅜
WFSL	1.04	3.3	3635	31½	29¾	31¼	— ⅛
WshFDC			145	1	⅞	⅞	— ⅛
WshFOr	.30	1.8	379	16½	16¼	16⅝	+ ⅛
WMSB	.52	2.2	3902	24	23	23⅝	
WMSB pf	3.75	8.0	22	48¼	47	47	— ½
WshScl	.20	4.8	192	5¼	4	4⅛	— ⅝
WatfdW			36	5½	4⅞	5½	
Watrhs s			106	7	6¼	7	
Watrln	.08e	2.5	22	3½	3	3¼	+ ⅜
Wattsind	.24	.5	827	50½	48¼	49⅛	—1⅜
WausP s	.60	1.0	2401	61	56¼	60¼	+4¼
Waver	.40	2.4	11	17	16¾	16¾	+ ⅛
Wavetk			347	3	2¾	2¾	
WbstFn	.52	5.8	454	9⅛	8⅝	9	+ ½
Wegenr			85	1⅞	1¼	1⅜	— ⅛
WeisTr	.40	2.0	621	20¼	15½	20¼	+4¾
Weltek			4676	11½	7¾	11⅛	+ ⅛
Wellgtn	.20	3.1	12	6⅝	5⅝	6⅝	+ ⅜
Werner	.12	.5	750	23¾	22½	22⅝	+ ⅛
Westnc	1.35	4.7	12	29¼	28½	29	+ ½
WstCst			148	2¼	1⅞	2⅛	+ ⅛
WtMass	.28	5.3	10	5¼	5¼	5¼	— ¼
WNewtn	.16e	2.9	578	5½	5⅛	5½	
WstOne	.96	2.9	1608	34⅝	32¾	33	—1½
Wstcot			1421	8⅛	7	8	+ ⅜
WtBank	1		717	17¼	15½	16	+ ½
WstCap			1574	3⅝	2⅝	3	— ¼
WnFncl			70	2¾	2½	2¾	+ ¼
WMicTc			117	3	2¼	3	+ ½
WstnPb			997	14¼	13¼	13⅝	— ⅜
Wstmrk			5951	44	42¾	43	— ½
WmorC	.32a	1.6	119	19¾	18¾	19¾	+1
Weston			1804	8	7⅝	7⅞	+ ⅛
WstpBc			50	4¼	3½	3¾	+ ½
WstwOn			966	2¾	2⅝	2⅝	— ⅛
WetSeal			1526	14½	12¼	13⅝	— ⅝
Wetfra	.64	2.3	2946	28⅝	27⅜	28⅛	+ ½
WetrPr	.96	6.1	37	15¾	15⅝	15¾	+ ¼
Weyco s	.64	2.2	12	30	28	29	+1
Wharf			125	5⅛	4⅝	4⅝	+ ⅛
Wheatly			1050	10	9¼	9¼	— ½
Wicat			2958	3	2⅝	2⅝	— ⅜
Wiland			57	2⅝	2½	2⅝	+ ⅛
WilyJ A	1.10	3.1	232	37	34¾	36	— ⅜
Willamt	1.60	2.8	4306	57½	56½	57¼	+ ¾
Willmi			438	3¾	3¼	3¼	— ¼
WillW	.68	4.9	17	14½	14	14	
WmSon s			2460	22½	19½	20⅝	—1⅝
WilmTr	1.64	3.3	1680	49¼	47¼	49	+1¼
WiscCT			2607	19¾	18	19	+1
WisSGs	1.20	3.4	20	35	32	35	+3
WiserO	.40a	2.6	1479	16¾	15⅝	15½	—1
WolfFn			193	2⅞	2¼	2⅝	+ ¼
Wolohn	.28b	1.3	710	22¼	21¼	21½	
WlvExp			3418	1	⅝	¾	—
Wolv wt			236	⅞	¼	⅜	+
WlvEx pf	2.25	75.0	179	3	2⅝	3	— ½
Woodhd	.68	4.4	589	16¾	15½	15⅝	— ⅝
Wordsf			1312	3⅝	3¼	3¼	
WrkCap	.17e	1.3	16	13	12⅝	12¾	— ¼
WorkBc	.30e	2.2	35	13¾	13⅛	13¼	+ ¾
Worthg	.64	2.5	3865	26	25	25⅝	+ ¼
Wyman	.40	5.5	2551	7¼	6⅝	7¼	+ ⅜
X							
XL Dta			1347	7¼	6½	6½	— ¾
XOMA			88039	31¼	21¼	25	—2⅞
XeRite	.12	.9	245	14	13¼	13½	— ½
Xicor			5001	2⅞	2⅝	2⅝	— ⅛
Xilinx			4406	23⅝	21¾	23¼	+ ¾
Xolor	.15e	2.6	17	5⅝	5⅝	5⅝	— ⅛
Xylogic			125	5¼	4¾	4⅝	+ ¼
Xyplex			1286	15¼	14½	15¾	+ ¼
Y							
YelowF	.94	2.9	4365	33⅛	32	32¼	+ ⅜
YesClth			6	5½	5½	5½	
YorkFn	.68b	5.6	236	12¾	12¼	12¼	— ½
YorkRs			3461	20¾	19¼	20½	
Z							
Z Sevn	.13e	.8	109	17¼	16	16¼	+ ¼
ZenLab			387	15½	13	13⅝	+ ¾
Zeos s			1873	19¾	18	19½	
Zeus			25	2¼	2¼	2¼	— ½
Zilog			1942	15	13¾	13⅞	— ⅝
ZionBc	1.44	3.5	1471	42¼	40¼	41¼	— ¾
Zitel			5040	5⅛	4½	4⅝	— ¾
Zycad			2464	2⅝	2⅛	2⅛	— ⅛

CHICAGO EXCHANGE OPTIONS

Figures as of close of trading Friday, June 14.

Option & price		Calls			Puts		
		Jun	Jul	Jun	Jul		
[illegible]							

Total Call Vol 265,088 Call Open Int 3,271,430
Total Put Vol 195,783 Put Open Int 2,837,455
r—Not traded. s—No option offered. o—Old.
Last is premium (purchase price).

AMERICAN EXCHANGE OPTIONS

Figures as of close of trading Friday, June 14.

Option & price		Calls		Puts	
		Jun	Jul	Jun	Jul
[illegible]					

r—Not traded. s—No option offered. o—Old.
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Aviation

Europe Launcher Sets The Agenda in Space

By Barry James

PARIS — Although the United States opened the way for the commercial exploitation of space, Western Europe is now taking the lion's share of the benefits.

The 11-nation European Ariane consortium has more than half the world's commercial satellite launch capacity, and hopes to substantially increase its share of the market in the late 1990s with a new launcher, Ariane 5, which will be able to place payloads weighing up to 6.8 tons in geostationary orbit 36,000 kilometers (22,000 miles) above the Earth.

Satellites in geostationary orbit remain in the same position relative to the Earth and are used for communications and television relay. The geostationary trajectory accounts for about 80 percent of the commercial satellite market.

The Ariane 5 rocket will be used to carry aloft the European Hermès manned space shuttle, but its principal money-making function will be the launching of big telecommunications satellites.

Arianespace, a French joint stock company formed in 1980 by leading European companies in the space field, has only 270 employees. But it has the technical backing of the European Space Agency and is the prime contractor for the production and financing of Ariane launch vehicles, coordinating the work of about 12,000 engineers and technicians. The company also operates the launch site at Kourou in French Guiana.

Arianespace says the Kourou base gives it a key advantage over competitors because it is the closest to the equator. This means that Ariane can put aloft a heavier payload for the same amount of fuel as rockets operating from more distant bases.

France is responsible for more than 50 percent of the production of the current Ariane 4 rocket, followed by Germany with about 20 percent and Italy with 7.4 percent. Other member countries of the consortium are Belgium, Denmark, Ireland, the Netherlands, Spain, Sweden, Switzerland and Britain.

Since its first contract in 1981, Arianespace has launched 93 satellites and has orders for 35 more, worth $2.75 billion.

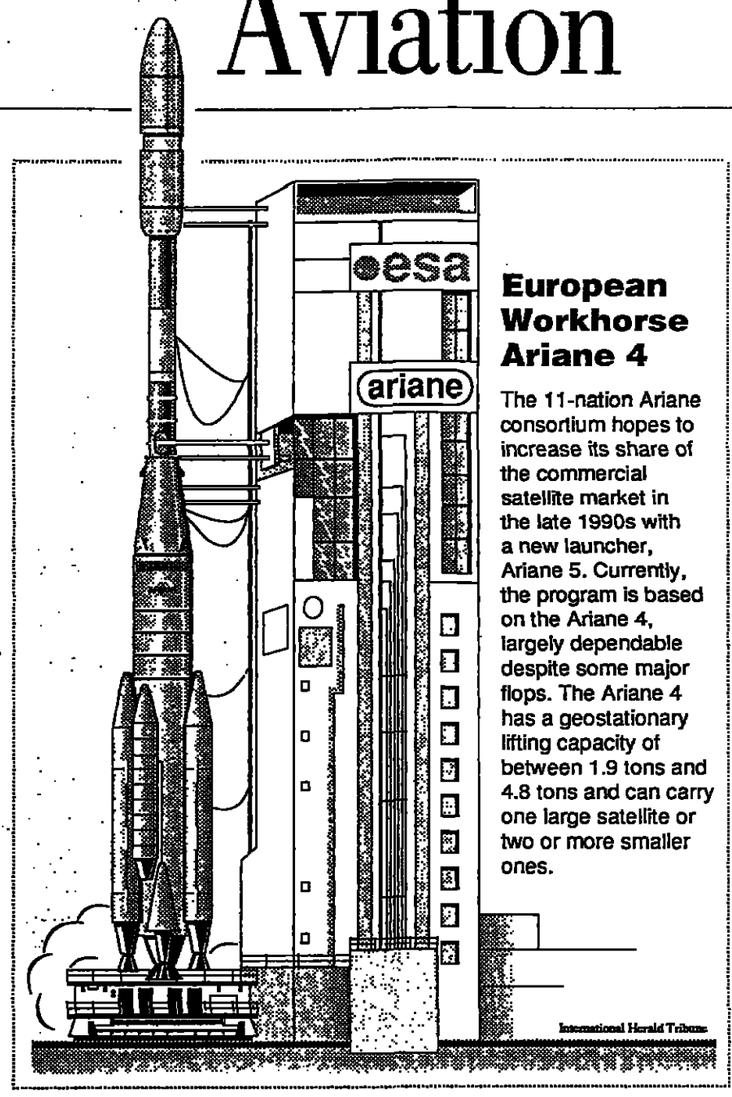
The company has followed a conservative policy, seeking reliability and using well-proven techniques rather than trying to be on the leading edge of technology. Each new Ariane series has been built on the experience of the previous one. Ariane 4 was designed to be a dependable workhorse, and despite the spectacular failure of launch number 36, it has achieved 42 successful launches between September 1987 and April of this year.

Arianespace posted sales of 4 billion francs ($800 million) last year, with a net profit of 135.4 million francs. It has paid a dividend to its shareholders every year since 1984.

When Arianespace came into being, the National Aeronautics and Space Administration was the world's leading launch contractor. But following the Challenger disaster and the grounding of the shuttle, NASA has dropped out of the commercial launch business altogether. Both the shuttle and the heavy-lift Titan rocket are used only for military and scientific purposes. This leaves the Mcdonnell Douglas Delta and the General Dynamics Atlas rockets as the only American challengers to Ariane.

But both have considerably less lifting capacity. Atlas is capable of putting a 2.8 ton

Continued on page 16



European Workhorse Ariane 4

The 11-nation Ariane consortium hopes to increase its share of the commercial satellite market in the late 1990s with a new launcher, Ariane 5. Currently, the program is based on the Ariane 4, largely dependable despite some major flops. The Ariane 4 has a geostationary lifting capacity of between 1.9 tons and 4.8 tons and can carry one large satellite or two or more smaller ones.

Wide-Bodied Planes Propel '90s Market

3 Manufacturers Fight for the Skies

By Ron Katz

LONDON — The fight by the three leading aerospace manufacturers for a slice of the mid- to long-range wide-bodied aircraft market — the niche below the Boeing 747 — is promising to be the major commercial battleground of the 1990s. This was assured in October by the decision of United Airlines to sign on as a launch customer for Boeing Co.'s new wide-bodied B777. The first B777 delivery, which is scheduled for May 1995, will trail the MD-11, McDonnell Douglas Corp.'s competitor in the sector, into service by 4½ years, while Airbus Industrie's new wide-bodied entries, the A340 and the A330, are also scheduled for early delivery — in May 1992 and September 1993, respectively.

There are 629 aging McDonnell Douglas DC-10s and Lockheed L-1011 Tristars in the category that have to be replaced. Roughly half of these aircraft are more than 15 years old.

More significantly, the sector is expected to experience strong growth beyond the need to replace aircraft. The manufacturers foresee new orders ranging from 1,700 to 2,200 units. At around $90 million to $100 million a plane, the financial stakes are enormous.

The MD-11 is the only trijet in the sector. The first orders for the aircraft were made in December 1986, and 11 have already been delivered — to Finnair, Delta, Swissair, Alitalia and American Airlines. The aircraft has a range of around 13,900 kilometers (8,700 nautical miles) with 293 passengers and no cargo, but it is capable of carrying up to 400 passengers in an all-economy class configuration.

First reactions to the MD-11 have been mixed.

Robert Crandall, the chief executive of American Airlines, complained that the aircraft's fuel efficiency was below the manufacturer's claims, and the airline at first refused to accept delivery of a second MD-11. But the GE CF6-80C2 engines and the wing surfaces have been improved and the company announced it will have three of the aircraft in service by summer. More substantial alterations could take several years.

On the basis of its order book, the MD-11 has had a solid start. McDonnell Douglas has received 184 firm orders for the aircraft from 26 airlines and four leasing companies. The company can use the success. Its long-term debt of $3.2 billion leaves it with an 84 percent debt-to-equity ratio, uncomfortably high even for the aerospace industry. Having put about $3.3 billion into development costs of the MD-11, the company's continued existence as a civilian aircraft manufacturer could well be riding on its success.

The Airbus A330 and A340 represent Airbus's move to take on Boeing in the lucrative long-haul market. Development costs on the Airbus twins, as they are called, also exceeds $3 billion, but Airbus was careful to equip the two aircraft with a commonality of parts to keep costs down.

The four-engine A340-300, a scale model of which is on view at the Paris Air Show, will have a range of up to 12,500 kilometers. A longer-range version, the A340-200, will carry 262 passengers 14,000 kilometers, roughly the same range as the MD-11.

The second Airbus entry, the A330, is a twin-engine, 310-passenger aircraft capable of flying up to 9,360 kilometers. It is aimed at dense regional routes, and for that reason has sold well in the Far East, with carriers such as Cathay Pacific, Thai International and Malaysia Airlines counted among its first customers.

Both Airbus models have had strong early sales, with 94 firm orders for the A340 and between 135 and 140 for the A330.

ORDERS for the Boeing 777, the last entry in the field, total only 49 aircraft — 34 for United (with 34 options) and 15 for All Nippon Airways (with 15 options). Boeing would have preferred to wait for more launch customers, but the company wanted to meet its delivery target date of 1995, and further delays could have given McDonnell Douglas and Airbus an unacceptable lead.

Sales of the B777 may get a boost later this year when British Airways, which is said to favor the aircraft, makes the final decision on a long-haul order expected to total around $4 billion.

[Airbus and Boeing announced $7 billion of new orders as the Paris Air Show opened.]

The first twin-engine B777s will be able to carry 360 to 390 passengers about 7,700 kilometers, making the aircraft competitive with the A330. But Boeing plans longer-range models, one of which, the so-called B model, will

Continued on page 17

U.S. Airline Industry Struggles to Pull Out of Nosedive

By Martha M. Hamilton

WASHINGTON — The U.S. airline industry may be beginning to pull out of the steepest financial dive it has ever taken.

After a record-shattering $5 billion loss in 1990, followed by a disastrous first quarter this year in which no major carrier made money, the industry is finally looking at a scrap of blue sky. But if there is a recovery in the airline industry, which airline executives say is a bellwether for the U.S. economy, it appears to be both slight and slow.

The final three months of 1990 and the first three months of this year was "a period of time that certainly ravaged the airline industry and took a couple of the weaker carriers over the brink into bankruptcy," said Donald J. Carty, the American Airlines executive vice president. "The immediate question is: Is that period over? The answer is a little mixed."

Although there are encouraging signs, there is no overwhelming evidence of a turnaround yet, according to airline executives and industry analysts. After six months of a continuous battering, the industry is taking heart from the fact that the financial blows have stopped.

Take traffic, for instance. After sharp declines in travel, as both the war in the Mideast and the recession took a toll, there are some optimistic signs.

In March, traffic dropped a record 11.2 percent from the previous year's levels. That made April's 4.2 percent decline look good by comparison. May and June, months in which the industry expects traffic to be flat compared with last year, look even better. The airline industry's Air Transport Association has not

Continued on page 17

Compromise doesn't sit well with the business community of the 90s. Today, time is of the essence. Budgets are tight. Staffs are lean. You don't get to choose between saving time or saving money, you're expected to do both. Fortunately, there's an aircraft that's up to the task — the uncompromising Learjet 31A.

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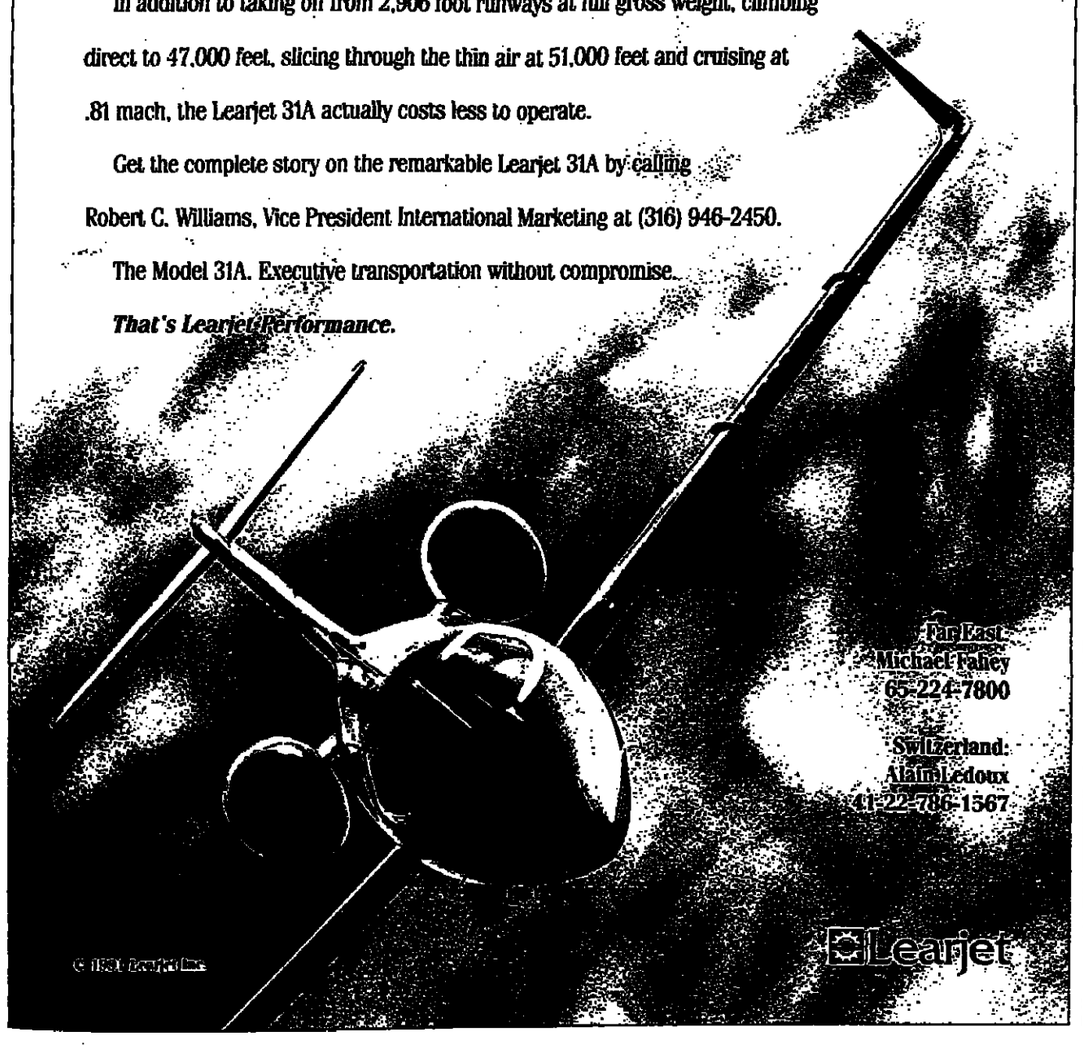

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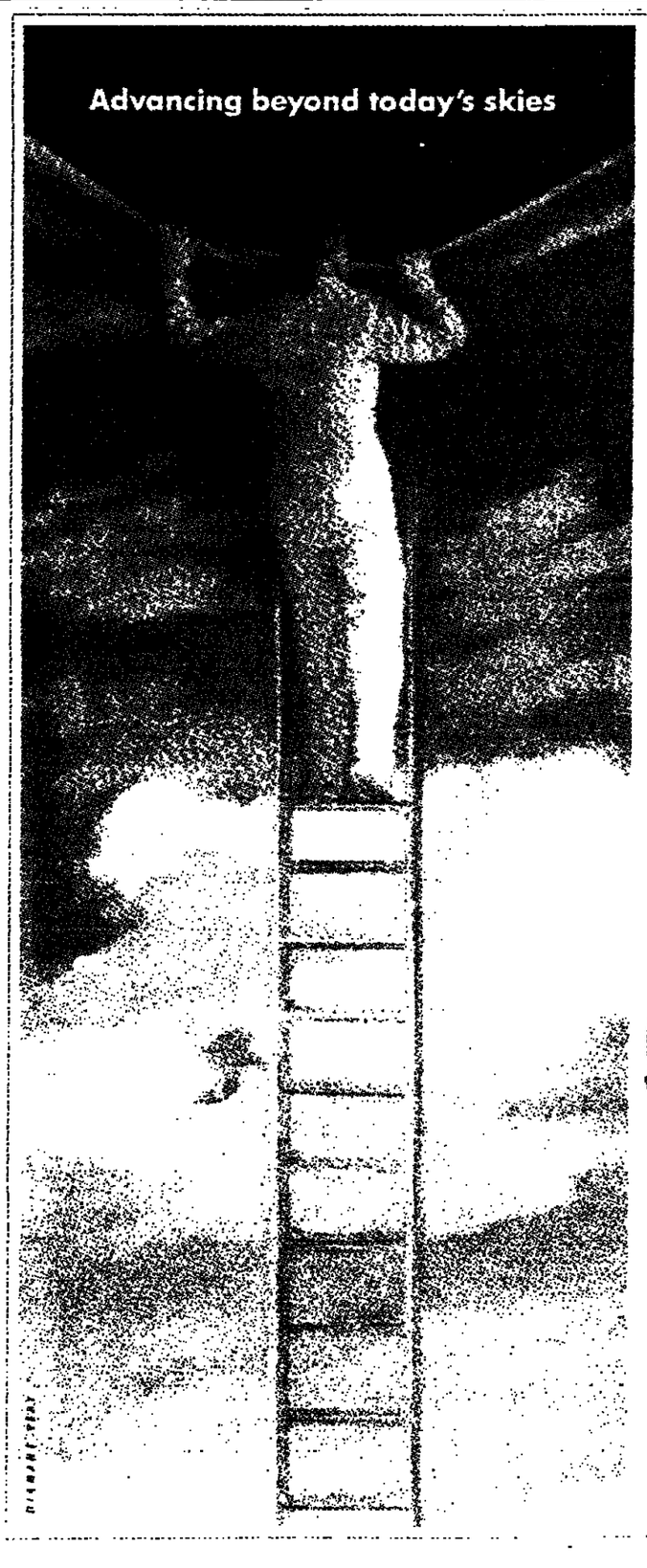

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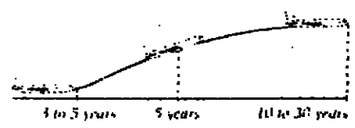

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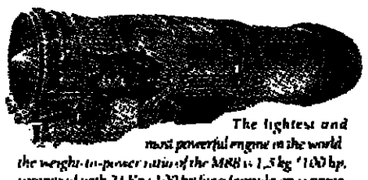

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Aviation / A Special Report

For Executives, a Corporate Jet Means Taking Control Over Travel

By Roger Collis

LONDON — Chartering a Learjet from Northolt, an airport north of London, to Strasbourg for the day will cost you about $4,500. Hardly a steal if you compare it with the round-trip business-class fare of $630. Looked at in purely cash terms, it only makes sense if you take half a dozen colleagues along. But leaving at, say, 7.30 A.M., you will arrive an hour and 10 minutes later, faster than any scheduled airline, and be back in time for lunch.

Take in Ghent, Belgium, and Vienna on the way to Strasbourg and you can still return the same day. This will cost about $8,000.

But think of being able to come and go when you want, the comfort and privacy, being able to work, brief, debrief, or relax, and blessed freedom from the misery of Heathrow or Gatwick. What price do you put on that?

It depends how you value your time and the opportunity to take trips that you could not otherwise do and on your own timetable. More to the point for a growing number of corporations is being in control of your travel: how and when you fly, your visibility, your security and safety.

"There's been a marked increase in the use of corporate aircraft since the Gulf war," says Graham Weller, director technical sales for corporate aircraft, British Aerospace in England. "The RAF use a fleet of BAe 125s to give senior staff transport that is both convenient and secure."

"During the Gulf war, the number of inquiries coming across my desk went up by 40 percent and our traffic was up 20 percent," says Amanda Cooper, charter sales manager at Field's Executive Jet Centre, at Heathrow Airport.

James Taylor, a consultant for business and commercial aviation in Westport, Connecticut, says: "Today, more and more business and professional people are shunning the airlines in favor of the flexibility, efficiency and comfort of corporate aircraft, charter services or air taxis. And they are traveling to a wider range of destinations than ever before. Many corporate managers believe their personnel are safer, more secure, in a private aircraft. Statistics prove that chances of criminal action against private planes are far less than for an airliner. Certainly, a small plane makes a less dramatic target."

Security takes many forms. Flying a corporate plane helps you avoid hanging around in airport terminals. Even hubs like Heathrow have civilized facilities for private jets, where you avoid public areas and formalities are minimal.

Company helicopters are even more discreet. You can operate from the office roof or the parking lot.

You may suffer from airport and air traffic control delays. But you do have more flexibility in coping with them. A corporate jet reaches cruising altitude more quickly than a commercial airliner, and flies either above or below most of the air traffic congestion.

Corporate jets are fast, safe and comfortable. A top-of-the-line Learjet cruises at 880 kilometers per hour (550 mph) and can fly to about 14,000 meters (45,000 feet), well above bad weather and commercial flights. Planes like the Gulfstream 14, the Falcon 900 and the new British Aerospace 125-1000 are capable of crossing the North Atlantic.

"Don't focus on saving money with a corporate jet," says Gordon Wilson, senior vice president for international sales at British Aerospace. "An airline ticket is cheaper. The real saving is on management time. How do you price an executive? Three times or 10 times his salary? First-class air fares are about £180 [$306] an hour. The cost of chartering one of our 125s is about £2,000 an hour. So you'd have to fill it up each time to break even. Actual running costs of a typical 125 — fuel, maintenance and crew — would be around $2,000 an hour. That is excluding the cost of the capital, of course."

"People on business will pay almost any price for a competitive advantage," Mr. Taylor says. "Because of the time involved in making connections and changing planes, a high performance jet like a Gulfstream, flying directly from Baton Rouge, Louisiana, to Belfast in Ireland can easily beat Concorde — via New York and London."

"We're seeing a lot more corporate jets crossing the Atlantic," Miss Cooper says. "Generally speaking, an American businessman will use Concorde and either have his plane flown over and positioned here or will charter a similar plane from me. Typically, around Europe or to the Middle East. Cairo is six hours in a 125 or Falcon 20."

> 'Because of the time involved in making connections and changing planes, a high performance jet . . . can easily beat Concorde.'

Most charter operators charge on a basis of hours flown, from the time the plane leaves its home airport until its return, plus overnight expenses for the crew. Some may charge an extra fee for every 24 hours that a plane is laid over. One of the largest, Jet Aviation, based in Zurich, charges about 3,000 Swiss francs ($2,000) an hour for a Cessna Citation, including air traffic and landing fees, and 6,000 francs or more for a Challenger, Gulfstream or Falcon 50. A flat fee of 450 francs is added for an overnight stay.

Corporate jets come in three major categories, a function of price, cabin size and range. The entry level is the small business jet, like the Citation 2 and the Lear 35, costing $3 million to $4 million, carrying four to six passengers, who share the cabin with the crew, and with a range of 1,000 to 2,000 nautical miles.

At the other extreme are the "big irons," such as the Gulfstream IV, Falcon 900 and the Canadair Challenger. These have big, stand-up cabins for 14 to 16 passengers, cost $15 to $25 million and typically have a range of 3,000 to 4,000 miles. The top performer, the Gulfstream IV, has a range of 5,000 miles, which means it can fly nonstop from Chicago to London and travels at 637 miles per hour, which is faster than a 747.

Then there is the mid-cabin market, such as the British Aerospace 125-800, the Citation 3, the Lear 55 and the Astra. They have six to eight seats, separated from the crew, a range of up to 2,500 miles and cost $6 million to $9 million. The BAe 125-1000 seats up to 15 people, has a range of 3,600 miles and costs $12 million.

Whether it is worthwhile depends on your travel pattern. If this is mainly between Paris and New York, a business jet does not make much sense. If you have locations in, say, Nuremberg, Valencia and Lyon, or Bologna, Antwerp and Göteborg, a jet should be worth a serious look. If you are a London-based company with a need to visit 400 shops, a twin-engine executive helicopter like the Aérospatiale Ecureuil may be the right choice.

Whether to charter or acquire your own plane is a complicated decision. A rule of thumb is that it is only worth it if you need to fly more than 300 hours or 250 days a year.

"We find it's usually an entrepreneurial decision, rarely a spreadsheet analysis," says Mike Hamlin of Hamlin Jet Limited in London, which operates jets for corporate owners. "It is taken by one or two senior guys who're fed up with scheduled airlines. What happens then is they find the cost of operating isn't as great as they thought. They also find that it opens whole new areas of opportunity for them. The pain barrier is buying the plane. Once it's there, using it isn't inordinately expensive. So they use it to go places that were too much of a hassle before."

If you are shopping for a corporate jet, get the maker, or management firm, to do a travel study. An oil company found it could save 23 hours in total travel time plus an overnight stop by using a corporate jet between Southampton, its base in southern England, and Sumburgh and Bergen in Norway. Executives of an insurance company in Norwich, England, can get to Lyon and back in a day by corporate jet. It used to take seven hours with an overnight stop.

"We looked at the annual itinerary for a well-known golfer," Mr. Wilson says. "Turned that into the cost of a jet versus the public airlines. It came out about the same, but the number of overnights was much reduced."

ROGER COLLIS writes the International Herald Tribune's Frequent Traveler column.

Dassault Caught In Market Squeeze

By Robert Bailey

PARIS — The leading French military aircraft producer, Avions Marcel Dassault-Bréguet Aviation, is facing major problems in its traditional export markets and it is not clear whether it can diversify quickly enough to remain an independent manufacturer of combat aircraft.

Although military aircraft sales executives are exuding a newfound confidence at this year's Paris Air Show, their optimism is tempered by an awareness that the penalties for failure as much as the rewards for success are greater than ever in an era of shrinking defense markets and tighter corporate profit margins.

An example of this new environment is the recent winner-takes-all competition to produce the future U.S. Advanced Tactical Fighter jet. The scale of the reported $65 billion contract, which was awarded to a consortium headed by Lockheed Corp., means that it is unlikely that another manufacturer not associated with the consortium will be able to maintain a long-term position in the U.S. fighter business.

Europe has still to catch up with this competitive climate despite the prospect of economic integration among European Community countries after 1992. Nevertheless, in an era of defense contraction, the pursuit of economies of scale by companies operating in the sector is as unavoidable in Europe as it has been in North America.

Dassault, the French combat aircraft producer, is well aware of the dilemma. Over the last three years, the company has had to shed 20 percent of its 15,000 employees. Profits last year slipped to 218.3 million francs (about $40 million) from 294.7 million francs in 1989.

Dassault blames the loss in profits on the weakness of the dollar and the economic uncertainties caused by the Gulf war. But the company has not confirmed a single new export order for its range of Mirage fighters since 1988, and, more than ever, is relying on French Air Force orders and on the performance of the company's nonmilitary activities, such as business jets and computer software sales, for survival.

France's Combat Aircraft Sales

Excluding Europe and North America, 1975-1991

	Middle East	Africa	Asia	Latin America
Fighters	531	156	232	156
Helicopters	515	244	14	62

Source: International Institute for Strategic Studies, Stockholm International Peace Research Institute

However, Serge Dassault, president of Dassault Aviation and commissioner-general of this year's Paris Air Show, remains optimistic about orders. He said last week at Le Bourget that the long-term international market for military and civilian aircraft sales "was not in regression."

"Time is working for us because air forces all over the world will have to replace the aircraft they purchased in the 1970s and 1980s," he said, adding that "Western air forces will have to replace 6,000 combat aircraft while the Soviets will need a further 4,000."

Dassault's hold on its traditional overseas market is undoubtedly weaker than it was two years ago. In addition, the Gulf war may have served to accelerate a decline in the manufacturer's fortunes in the Middle East, a region that had been its most important market.

The deployment of French equipment during the war was important for its future sales prospects. However, unlike the experience of previous Middle East wars, French aircraft played a relatively minor role in operations.

Lack of night-vision combat equipment and communications and range limitations were among the factors preventing a greater French presence in the air.

Since the early 1970s, when the Middle East oil boom began, Dassault has sold hundreds of Mirage aircraft to Libya, Egypt, Iraq, Kuwait, Morocco, Qatar and the United Arab Emirates as well as an Alpha jet training aircraft to Egypt and Qatar. Until last August, further substantial sales of Mirage aircraft were also forecast for Iraq and Morocco. Now, only the latter is still in contention.

It is doubtful whether other export markets can compensate for the downturn in the Middle East. Before international embargoes were imposed, Mirage F-1s and Mirage 111s were sold to South Africa and to Israel.

IN Asia, the Pakistani Air Force operates about 85 Mirage 111s, while the Indian Air Force has 52 Mirage 2000s. Dassault has also expanded into Latin America, where Mirage aircraft are used by air forces in Argentina, Columbia, Ecuador, Peru and Venezuela.

The company's sales policies may become more circumscribed if arms control curbs now under discussion become effective. Washington wants to see a brake on the arms race in the Middle East while the French government favors limiting weapons sales to "reasonable" levels, compatible with the military balance in a given region.

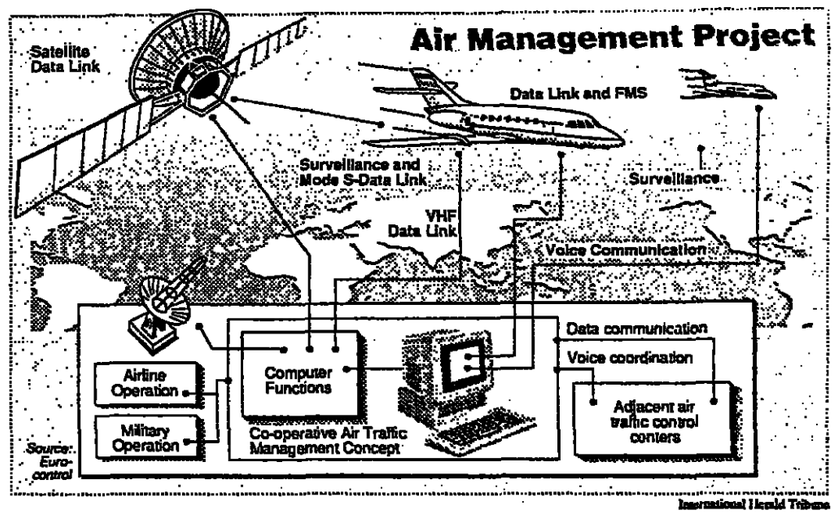
Dassault is now looking forward to the introduction of its Rafale fourth-generation jet fighter in 1997 and the development of multi-role versions of its Mirage 2000 interceptor. But a major question is whether Dassault can remain an independent producer long enough to benefit from projected sales of the new fighters.

An alternative strategy is to seek greater involvement in collaborative ventures in the same way that its state-owned rival, Aérospatiale, is integrating its development activities with those of Germany's Messerschmitt-Bölkow-Blohm.

ROBERT BAILEY is a London-based writer specializing in aviation and technology.

Europe Moving to Integrate Air Control

By Peggy Salz Trautman



BONN — As air traffic control capacity throughout Europe fast approaches its limit due to the sharp growth in freight and passenger flights, the European Community is trying to avert future bottlenecks in the air by using new technologies to develop a unified approach to air traffic control.

To deal with this congestion — total air traffic in Europe is expected to double by the year 2000 — and with fears that the explosion in traffic might increase the risks of mid-air collisions, the European Organization for the Safety of Air Navigation, known as Eurocontrol and based in Brussels, is working with member states to try to harmonize their operations in an integrated pan-European system.

The Eurocontrol director-general, Keith Mack, said that Europe requires compatibility of radar data, commonality of procedures and optimum data transfer arrangements.

To achieve this, Eurocontrol is involved in several programs, including the Four States/Eurocontrol Integration Project. The four states are Belgium, the Netherlands, Luxembourg and Germany.

Mr. Mack said it was decided early on that it was neither "operationally nor financially possible to achieve a rationalized single European system overnight." A more practical way, he said, was to develop "common interfaces," that is, a common communications system for air traffic control centers and common standards, so that they can coordinate their operations and avoid any gaps in the air space they control.

Under the Four States project, he said, Eurocontrol aims to integrate various air traffic control systems into a homogeneous system and, at the same time, provide a model for the integration of air traffic control systems throughout Europe.

Eurocontrol is also closely watching a German project, the Co-operative Air Traffic Management Concept (CATMAC), which is trying to improve air traffic management by using new technical systems to guarantee a greater accuracy of planning data.

Developed by a group headed by Germany's Federal Administration for Air Navigation Services (BFS), the project will be subject to computer-simulated tests starting next spring.

Klaus Platz, head of the BFS Division of Basic Operational Analyses and System Planning that proposed the system, said the concept will help Europe unify its systems because it builds on existing technologies and, more importantly, because it requires all these systems to be compatible. However, he said, the project allows member states to choose their own individual components such as hardware and networks.

Every aircraft is or will soon be equipped with a so-called flight management system, or FMS. This computer system calculates planned routes and altitude conditions, as well as any changes the aircraft might experience in flight.

According to the CATMAC concept, the FMS of all aircraft in Europe will be connected via a data link to a given ground-based air traffic control center, which will also be connected to similar air traffic control facilities across Europe. The center is the brain of the system and checks all the flight plans of all aircraft, civil and military, that have been fed into it from FMS and similar sources.

After it has sorted out all the information, it searches for any possible conflicts or sudden changes. If there is a problem, it alerts the air controller in the relevant region. Because CATMAC has effectively integrated all air traffic control centers into one large interconnected network, the air controller can then take advantage of this sophisticated system of communication to contact pilots of other controllers and solve a potential conflict.

In 1992, CATMAC will undergo a simulation on a system of minicomputers connected to an IBM RISC 6000 mainframe, although several of the technologies needed to complete the network are only in the early stages of development. The mode S datalink, for example, and its digital data communications capacity, will greatly enhance surveillance systems and ground communications networks. Its management and implementation are part of a Eurocontrol project that is set to go into operation after 1995.

PEGGY SALZ TRAUTMAN is a journalist based in Bonn.

European Launcher Sets Space Agenda

Continued from page 15

payload into geostationary orbit. Delta has a capacity of up to 1.8 tons.

Delta launches about eight satellites a year at a reported average price of $45 million. Atlas launches four satellites a year at a price of between $60 million and $70 million. Arianespace has eight launches a year, but each launch usually carries two satellites at a price of about $60 million each.

Ariane's main competitors, apart from the United States, are China, the Soviet Union and, potentially, Japan. The Soviet Union has been artificially kept out of the Western satellite-launching market because NATO restrictions on technology transfer prohibit the sending of satellites to the Soviet Union for matching with the rocket launchers.

But those restrictions are in the process of being revised and eliminated in many cases, and it is likely that the Soviets will take a larger share of the market. The Soviet Proton rocket, in service since 1965, has the capacity to put a 4.5 ton satellite into geostationary orbit.

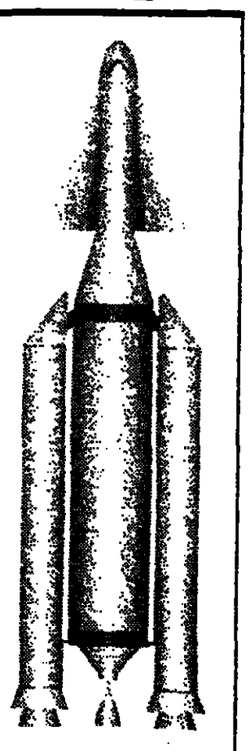
Both the United States and the Soviet Union have the means of putting much larger loads into low-Earth orbit. The shuttle can lift 24 tons into low-Earth orbit and up to six tons into geostationary orbit, while the Soviet Union's Energia booster can lift up to 100 tons into low orbit. The Super-Energia project will double that capacity, enabling the development of bigger and more complex orbiting space stations.

But the problem facing the commercial launchers is not only one of power. They have to be able to place satellites into extremely precise orbits with minimal risk at the lowest possible cost. These factors call for compromises rather than extravagant solutions. Arianespace is seeking a reliability rate of at least 98 percent for Ariane 5, below which the commercialization of the rocket is unlikely to be profitable.

Cost is a key figure in launching communications satellites, and smaller and cheaper rockets are clearly of more interest to a company seeking to launch a relatively low-capacity satellite.

The Soviet Union has a range of small- and medium-sized rockets apart from the behemoth Energia boosters. China's Long March 2 rocket, while relatively primitive, costs about 15 percent less than the lowest prices elsewhere. Although it has a geostationary capacity of only about 1.4 tons, this is enough for smaller telecommunications and observation satellites.

China is working on a bigger rocket capable of lifting 2.2 tons into geostationary orbit.



Ariane 5, expected to be in service by the late 1990s, will be used to carry aloft the Hermès manned space shuttle, but its principal money-making role will be the launching of telecommunications satellites.

Japan has been kept out of the international market for satellite launches by the fact that its H1 rocket uses a motor built under American license and which cannot be commercialized. It is working on its own H2 rocket with a geostationary capacity of three tons and is likely to be an increasingly active competitor.

The decision of Arianespace to build the Ariane 5 rocket has been dictated not only by the decision to launch the Hermès manned spacecraft around the turn of the century but also by the changing needs of satellite customers.

The largest geostationary satellites in the near future will weigh between three and four tons, compared to about 2.2 tons today.

The Ariane 4 rocket, which has a geostationary lifting capacity of between 1.9 tons and 4.8 tons, can carry one large satellite or two or more smaller ones. Ariane 5's capacity will allow it to launch two three-ton super-satellites in a single mission.

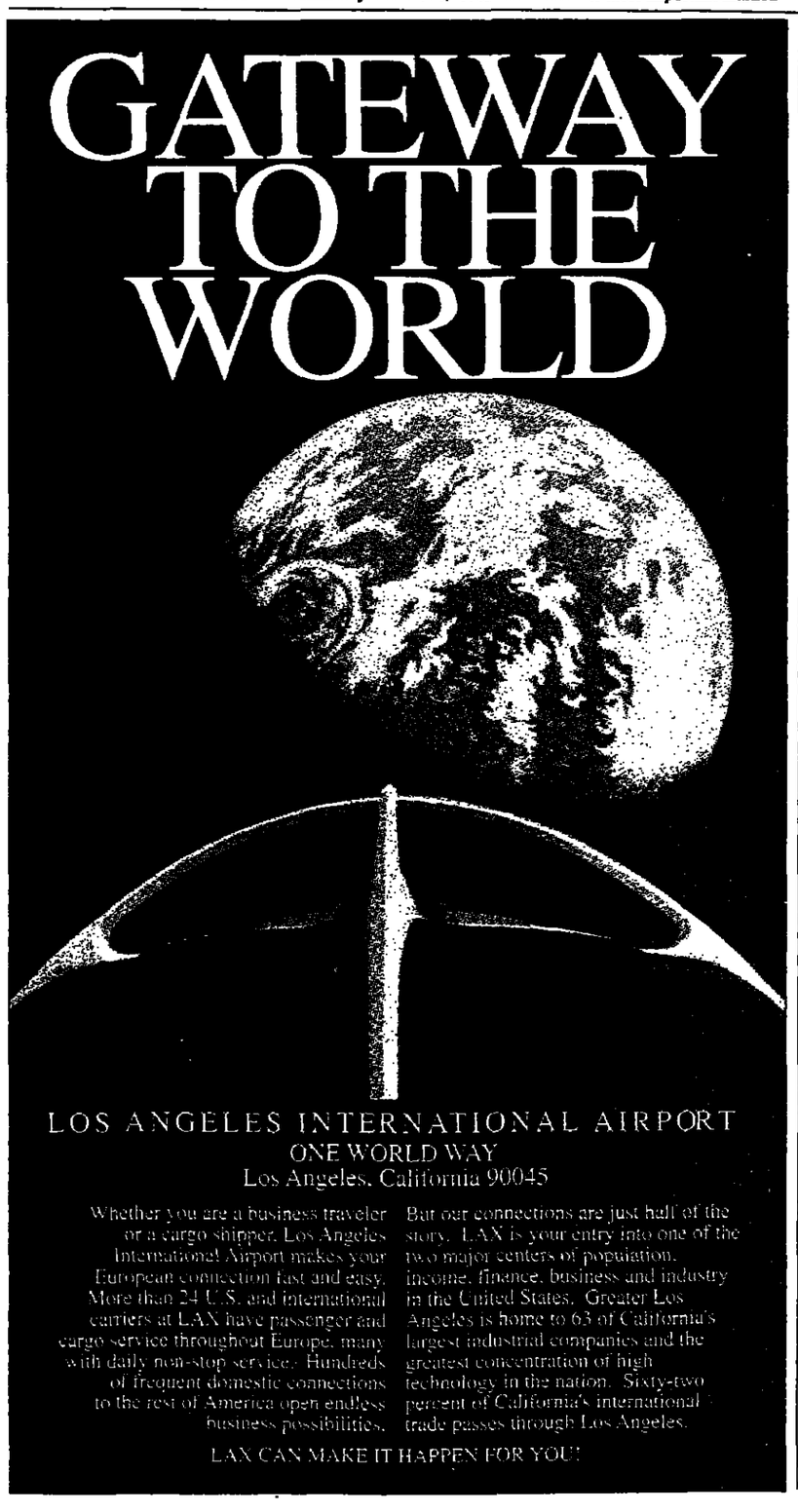
The large satellites will carry the equivalent of 100,000 telephone lines, or 24 television channels. Current satellites generally carry the equivalent of 15,000 to 20,000 telephone lines, or 12 television channels.

Another potential market is for the launching of constellations of small satellites to permit telephone calls and paging facilities anywhere in the world. Arianespace is considering whether to develop a smaller rocket to exploit this market.

Patrice Larcher, the marketing manager of Arianespace, said the day is coming when businessmen will be able to set off with lightweight attaché cases containing everything they need to communicate with home base from anywhere in the world.

The big geostationary satellites, Mr. Larcher said, will enable households to receive 20 or more television channels from a 40 centimeter (16 inch) dish aerial on the balcony.

BARRY JAMES is on the staff of the International Herald Tribune.



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Aviation / A Special Report

Airbus Industrie's long-haul A340-300, scheduled for delivery next spring.

Wide-Bodied Market Growing

Continued from page 15

carry 300 to 320 passengers up to 12,230 kilometers and will compete directly with the MD-11.

If history is any guide, there will be few quality differences among the various models. The keys to market success will be financial — how attractive a financing package the manufacturers can put together and, more significantly, the overall state of the economy.

During the last year, the economy has given manufacturers little to cheer about. The combination of war and recession, as well as the decline in air traffic, which is still running 10 percent to 12 percent below last year's levels, has led to a host of gloomy predictions for the industry.

S.G. Warburg, the London investment bank, contends that aircraft deliveries will decrease by half between 1991 and 1993 because of the low growth in traffic and low aircraft retirement rates. Orders have already fallen off. During the first five months of 1991, the big three manufacturers received firm orders for 67 aircraft, an 86 percent drop from the 402 ordered during the comparable period in 1990. Only five of these orders (Airbus A340s for All Nippon Airways) were for the new wide-bodied planes.

But the manufacturers are quick to point out that selling jet aircraft requires a long-range perspective. It is a standing joke in the industry that the appearance of a new model on the market is virtually a guarantee that a recession will follow. When some of today's most popular models — the B747, B757 and B767 — first hit the market, economic growth was flat and the aircraft sold poorly. Sales of the B747 were so weak at first that Boeing was driven to the brink of bankruptcy.

A deeper question is whether there will be space in the long-haul wide-body market for three manufacturers. To some the competition conjures up unpleasant memories of the disastrous 1960s battle between Lockheed Tristar and the McDonnell Douglas DC-10, in which Lockheed was driven out of the civil aircraft business altogether and McDonnell Douglas was forced into a merger.

Most analysts, including Warburg's aerospace expert, Wyn Ellis, believe that the long-term market is large enough to support all three companies, but they caution that for the next two to three years there will be a rough ride.

That being so, success favors the manufacturer with the deepest pockets. With McDonnell Douglas in financial trouble and Airbus's government subsidies under threat in the General Agreement on Tariffs and Trade, that would tend to give the edge to Boeing.

RON KATZ is a free-lance journalist and aviation consultant based in London.

Recession: Will It Slow EC Liberalization?

By Ron Katz

LONDON — The recession's tight grip on European airlines is showing no sign of letting up soon, and the gloomy outlook has some observers wondering whether the European Community will be forced to slow its planned timetable for the liberalization of air transport.

The substantial losses reported by most carriers, ranging from $75 million at Alitalia to $215 million at Iberia, do not tell the full story. This will have to wait until the first-quarter 1991 results are in, a period when the combined effects of the Gulf war and the financial slowdown were at their most severe.

But already, the few EC carriers reporting first-quarter results are signaling the trend: British Airways, one of the few EC airlines reporting a profit in 1990 ($533 million), had a $262 million first-quarter loss.

And the end of the war has not generated a turnaround in carriers' fortunes either. Dave Henderson, the head of statistics at the Association of European Airlines, reports that, while intra-European traffic is up from its low point in February, when it was down 23 percent from the previous year, it was still down 6.5 percent to 8.5 percent in May. British Airways, which had predicted that traffic would recover to last year's levels by June, now believes it will be September instead.

To meet this economic downturn, there were some indications in January that the EC was prepared to slow its liberalization timetable. On Jan. 30, the EC commissioners of transport and competition met with the presidents of the Community's airlines to see if the EC Commission could develop a plan to ease the economic strains caused by war and recession.

EC Airline Financial Results

Net financial results, in millions.

	1989	1990
IBERIA	$60.4	-$215
SABENA	$19.2	-$211
LUFTHANSA	$66.1	$9.8
ALITALIA	-$166	-$75
OLYMPIC	-$114	-$156
AIR FRANCE*	$149	-$122
AIR INTER	$22	-$31
SAS	$360	-$126
KLM	$169	-$125
BRITISH AIRWAYS	$360	$533
SWISSAIR	$58.8	$3.2
AUSTRIAN	$12	$10

* Consolidated. Source: Airlines

The commissioners, Karel van Miert of transport and Leon Brittan of competition, came up with an emergency rescue package. It allowed airlines to reduce capacity or operate routes jointly, permitted fare increases if they were clearly linked to increased costs of the war and sanctioned state aids if they were aimed at compensating carriers for war-related expenses.

But in the end, the Commission's action pleased virtually no one. The British were upset because British Airways had been privatized and would not have been eligible for state aid. And the other carriers in the Association of European Airlines were unhappy because the package was timed to end on May 31.

"The measures bore no relation to the planning cycle of the airlines," an airline official said.

A more serious consequence of the Commission's intervention was that it raised questions about the credibility of the liberalization program and the Commission's commitment to it.

Mr. Brittan, the competition commissioner, acted to dispel these concerns. "It would be absurd for short-term difficulties to interfere with policies that have been developed with great care to provide for more choice, keener prices and a more competitive airline industry," he said.

Other Commission officials also denied that the recession has had any impact on the timetable for liberalization.

Ludolf Van Hasselt, the Commission's deputy head of transport, said that the EC is "on course" for implementing the final package of liberalization measures on Jan. 1, 1993.

Time is likely to prove him right. The lull in EC legislative activity since the end of January appears to be less a function of the recession than a reflection of the delicate job the Commission faces in formulating the third and final stage of liberalization.

The first package of liberalization measures agreed on by the European transport ministers at the end of 1987 was modest. It called for limited flexibility in capacity-sharing arrangements, zones of flexibility around the price of discount air fares and some easing of the conditions on market access for new-entrant EC carriers.

But the second package, which was approved in December 1989, was considerably more substantial. Its key provisions call for the establishment of cabotage rights for EC carriers — the right to fly between two cities in another state — a system of "double disapproval" of air fares, meaning that only the state of origin need approve an air fare, and the establishment of an EC licensing authority that will largely supplant the rights of individual states to choose the carriers they want to fly EC routes.

"These are the tough issues, because they are totally novel concepts in the Community," said Kees Veenstra, director of aeropolitical affairs for the Association of European Airlines.

The Commission will submit proposals on all three before the summer recess.

The licensing issue may be the most critical. Under the present system, while EC carriers theoretically have the right to fly between any two Community airports, the state retains the power to license them to do so. When the French carrier UTA wanted to compete with Air France on several Community routes, the French government, not supportive of other French airlines competing with Air France, simply refused to designate UTA to fly the routes.

Had an EC licensing plan been in place, France would have had little option but to approve UTA's request, provided the carrier met the technical and financial requirements set down in EC law.

The shift in licensing authority from the states to the Community should make market access easier for new carriers. Since new entrants usually provide the stimulus for change, the implications for competition could be profound.

A double disapproval air fare regime could have equally far-reaching results. Under most EC bilateral agreements, an innovative air fare can now be disapproved if the government of either state vetoes it.

For example, when the now-defunct British carrier Air Europe tried to put in place a £135 ($229) round-trip fare on London-Munich, the German government balked. (The comparable Lufthansa fare was £306). But under the new double disapproval plan, which will be put in place in 1993, Germany would have little to say about it; the British government could approve the fare on its own. If the system works properly, it should allow for the introduction of more innovative pricing in Europe.

The new liberalization measures will have little impact if EC carriers fail to take advantage of them.

But another factor is surely the recession. Starting up a new route involves heavy capital costs, and few second-tier airlines, which have been the most innovative in offering competitive fares, have the resources to invest while times are hard.

The end of the recession will see the acid test of the new liberalization.

"It's not what's down on paper that counts," said one airline executive. "It's what the airlines actually do."

U.S. Airline Industry

Continued from page 15

released figures for May yet, but preliminary numbers indicated that domestic traffic equaled 1990 levels for the first time so far this year.

"The first month of positive traffic numbers appears to be in July, when domestic travel is projected to increase by about 2 to 3 percent," said Julius Maldutis, an airline industry analyst for Salomon Brothers. "Overall, the slow economic recovery is being reflected in the slow domestic airline recovery."

"The situation appears to have at least stabilized," said Robert J. Aronson, president of the Air Transport Association. "It's not worsening, but it's stabilized at a very bad level. We've just got to climb out of this hole, and we've got to do it fast."

The industry's problems began in August, when fuel prices shot up as a result of Iran's invasion of Kuwait. By November, jet fuel prices had increased by 75 percent above midsummer levels. Airlines looked for every conceivable way to control fuel consumption, which represents the second largest cost for airlines after labor.

They taxied with one engine, encouraged pilots to fly at altitudes that minimized the amount of fuel consumed and removed ashtrays from aircraft flying routes where smoking had been banned and got rid of extra pillows to reduce weight.

The high cost of fuel helped push Pan American World Airways, Continental Airlines and then Midway into bankruptcy court. Continental was already burdened with heavy debt, but "the thing that kicked us over the edge was the continuing high cost of fuel," the chairman of Continental, Hollis Harris, said in December as the airline filed for protection from its creditors for the second time in a decade.

As fuel prices began to decline, the outbreak of the war and the decline in the U.S. economy delivered new blows. People stopped flying. To counteract the decline in travel, air carriers launched a series of fare promotions designed to overcome the reluctance to travel. The catchword in the industry was "jumpstart." Every airline's fare promotion was designed to jumpstart travel.

While it was good news for consumers, "that, in the face of a lot of cost inflation, is not a very encouraging sign" for the industry, Mr. Carty said.

The airline industry is one of the first places that a recovery in the economy starts to show up, according to airline executives. As the economy begins to emerge from a recession, business travelers begin to make sales calls and lawyers and investment bankers begin flying around to put together deals. And, as consumer confidence increases, families begin planning vacations again.

"If the economy comes back as we expect it will later this year, there should be some improvement," said Secretary of Transportation Samuel K. Skinner.

What isn't clear yet, according to some in the industry, is whether the very slight improvement in airline ticket sales is that kind of crocus-like sign of a shift in the economic weather or just a reaction to price-slashing. Carriers who had advertised discount fares that were to have been available only until June 3 have now extended the sale until the end of the month.

Everyone is cautious about reading too much into the numbers, but some are more cautiously optimistic than others.

"We have definitely seen the worst," said Paul P. Karos, an airline analyst with First Boston. "So far, the airline industry has suggested that the economy has troughed but will be slow to recover."

"I think the airline industry will return to profitability before the end of this year," said John Hayhurst, vice president of marketing for the Boeing Commercial Airplane Group. Boeing expects its predicted deliveries of 429 jets to hold, he said. "By the last quarter, we should see some numbers in the black, and we may see it sooner for some," he added.

MARTHA M. HAMILTON is a Washington Post reporter who covers the airline industry.

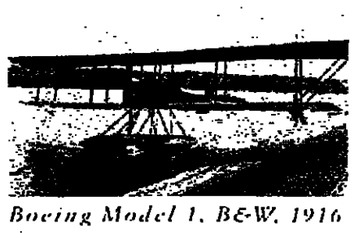
Reuters-UPI

After 62 years, Eastern ceased operation in January.

"I Think We Can Build A Better Airplane."

William Boeing, 1914

Spruce. Linen. Steel wire. The stuff of which companies are launched. Boeing's first airplane carried two passengers and cruised at 67 mph. Some 700 planes later, an ad in the December 1927 issue of *Aero Digest* magazine stated company policy: *To develop airplane design and construction for speedy transportation—inexpensive, dependable, safe!* Our airplanes have changed dramatically over the years; our operating philosophy remains exactly the same.



Boeing Model 1, B&W, 1916

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BOEING

MONDAY SPORTS

Lewis, in Last Leap, Lengthens Streak

Compiled by Our Staff From Dispatches

NEW YORK — Facing almost certain defeat in the long jump, the one event he has continued to dominate, Carl Lewis uncorked one of the greatest jumps in his storied career to defeat Mike Powell and win the national championship.

Lewis's performance on Saturday, two weeks before his 30th birthday, kept a 10-year winning streak alive — now 65 victories in a row — and gave a stunning finishing touch to the USA-Mobil Outdoor Track and Field Championships.

In his sixth and final jump, trailing by an inch and a half (about 40 centimeters), Lewis jumped 28 feet, 4¼ inches (8.64 meters), then watched as Powell failed to improve on his last leap. Powell, 27, settled for 28-3¾, which he had posted in the second round. Larry Myricks, 35, was third in 27-10¾.

That was the exact order of finish in the long jump at the 1988 Summer Olympics in Seoul.

"I felt that whatever I did, it was going to be all right," said Lewis, who fell over backward in ecstasy when the length of his jump was announced. "I wasn't sure right away. But I like the pressure. I like the anxiety."

One day after perfect weather helped Leroy Burrell break the world record in the 100 meters, heat and humidity played a nasty trick on the competitors and had a moderating effect on most times and distances. In the women's 800, seven of the eight finalists collapsed and required attention.

But not everyone was affected. In winning the men's 800, Mark Everett ran the fastest time in the world so far this year: 1 minute, 44.28 seconds.

The same distinction applied to the times for the winners of the 400-meter hurdles, Kim Batten in 54.18 and Danny Harris in 47.64. Harris was the first this year under 48 seconds.

In the men's 200, a race that was supposed to be a showdown between Burrell and Michael Johnson, the top-ranked 200-meter runner in the world last year, Johnson won in a relatively slow time of 20.31 seconds. Burrell was barely a factor, finishing second in 20.42.

"I was not concerned that he's the world record holder in the 100," Johnson said. "This race is over twice the distance and he hasn't shown me anything yet."

"I ran out of gas," Burrell said.

Six athletes qualified for their third consecutive world championship team: Lewis, 100 meters; Greg Foster, 110-meter hurdles; Mike Conley, triple jump; Brian Diemer, 3,000-meter steeplechase; Jackie Joyner-Kersee, women's heptathlon, and Karin Smith, women's javelin. *(WP, NYT)*

■ Johnson Places 2d

Ben Johnson finished second in a 100-meter sprint Saturday and again failed to run as fast as he did before his two-year suspension for using steroids, The Associated Press reported from Tonsberg, Norway.

Johnson was timed in 10.41 seconds, four-hundredths of a second behind Wolfgang Haupt of Germany. Johnson was slightly faster than at his first two outdoor meets this season.

■ Spitz Finishes Last

Mark Spitz, the winner of seven gold medals in the 1972 Olympics, finished eighth and last in a 100-meter butterfly at an international meet Saturday in Canet, France, The Associated Press reported.

Spitz, 41, was timed in 58.93 seconds in a race won by a Czechoslovak-born Canadian, Marcel Gery. Gery, who was fifth in the world championships, was more than two seconds ahead of Spitz.

Spitz was put directly into the final of the event. It was the fourth defeat in his comeback attempt.

U.S. Athletes Facing Ban in Reynolds Case

The Associated Press

BIRMINGHAM, England — American athletes may be barred from the Olympics and world championship events if Butch Reynolds is allowed to compete again, the world governing body of track and field has warned.

Reynolds, the world record holder and 1988 Olympic silver medalist in the 400 meters, was suspended for two years in August by the International Amateur Athletic Federation after he tested positive for steroids.

The federation issued its warning on Saturday, after The Athletics Congress had allowed Reynolds to compete Thursday in the U.S. national championships in New York. Reynolds finished seventh in a field of eight in a preliminary heat.

"Any repetition would inevitably endanger the participation of American athletes in major world competition, including the world championships and the Olympic Games," the federation said.

The organization expressed "strong disagreement and disappointment" at The Athletics Congress's decision to let Reynolds run. It called Reynolds's participation illegal and said he could face "increased suspension."

U.S. athletes could be banned from the world championships in August in Tokyo and the 1992 Summer Olympics in Barcelona if Reynolds runs again, the federation said.

The Athletics Congress has said that the suspension was lifted only for the New York meet and that Reynolds has not yet been allowed to compete elsewhere. It allowed him to run after the American Arbitration Association temporarily lifted his suspension, ruling there was evidence that his drug test was faulty.

The federation says that the test was valid and that its rules were violated.

A spokesman for The Athletics Congress said, "We'll abide by the IAAF rules and decisions."

The IAAF said, "Despite the special arbitration law which prevails in the United States, any repetition of such a case would not be accepted in the future and the IAAF world athletics movement would not be able to justify in any way unlawful participation of this sort."

It said The Athletics Congress was asked to send a representative to present a full report on the case to the federation's president, Primo Nebiolo. The IAAF Council will take up the matter at its meeting in August.

Nagano Wins 1998 Games

The Associated Press

NAGANO, Japan — Shouts of "Banzai" rang through the air early Sunday in this temple town in the mountains of central Japan when Nagano, which had tried for decades to be chosen as host to the Olympics, finally won the 1998 Winter Games.

Television networks broke with their usual programming to broadcast the decision live to the thousands who had crowded onto the grounds of the ancient Buddhist temple around which the city was built eight centuries ago. After the announcement came, about 3:30 A.M., from Birmingham, England, parties broke out all around the city of 350,000.

The politics of geography had prevailed, with Nagano beating out four other candidates: Salt Lake City, Utah; Ostersund, Sweden, Aosta, Italy, and Jaca, Spain.

Nagano will be the first Asian city to host the Winter Games since Sapporo, Japan, in 1972. That apparently proved to be a strong selling point with the International Olympic Committee, which had been criticized last year for giving the 1996 Summer Games to Atlanta.

Salt Lake City would have been the fourth U.S. city and sixth in North America to stage the Olympics since 1976.

"I think it's a fair vote," said François Carrard, the director-general of the IOC. "The shift in balance in continents to Asia is a very good thing."

Eighty-eight IOC members took part in the secret vote in Birmingham. Nagano led in each of the five rounds, and defeated Salt Lake City, 46 votes to 42, in the final ballot.

Nagano and Salt Lake City had been rated as the main contenders. Salt Lake City offered — on paper, at least — the strongest bid and received high marks in an IOC evaluation report for its facilities, infrastructure and financial backing.

Nagano emphasized geography and technology in its bid, and matched a major financial incentive offered by Salt Lake: free transportation, meals and expenses for all athletes and officials.

Perhaps the biggest loser was Sweden, which has never held the Olympics and which was bidding for the Games for a fifth straight time. Sven Heurgren, an official of the Ostersund committee, said Sweden would probably bid for the 2002 Games.

Citizens of Nagano, Japan, celebrating the award of the 1998 Winter Games.

U.S. to Meet Germany In Davis Cup Semifinal

By Robin Finn
New York Times Service

NEWPORT, Rhode Island — The United States, the defending Davis Cup champion, has advanced to the semifinals of the 1991 championship with an overwhelming defeat of Spain.

The U.S. team will meet Germany in Kansas City, Missouri, on Sept. 20-22. The United States has a 6-3 cup record against Germany but was defeated by West Germany, 3-2, in the 1989 quarterfinals.

The undefeated doubles team of Rick Leach and Jim Pugh clinched the quarterfinal against Spain, 3-0, as they tamed the world's top-ranked doubles duo, Emilio Sánchez and Sergio Casal, 7-6, 6-3, 7-6, on Saturday on the slick grass surface at the Newport Casino.

Added to straight-set victories Friday by John McEnroe and Brad Gilbert over Tomas Carbonell and Sánchez, that gave the United States an unbeatable lead in the five-match series.

McEnroe, in the first of the reverse singles matches Sunday, defeated Sánchez, 6-4, 3-6, 6-3, to run the score to 4-0.

Overall, the United States has won 29 Davis Cup titles, four of which were earned with McEnroe at the helm, a position to which he returned for this series.

"This was the best way it could have happened, to have everybody win their match and be able to feel like they were a full part of the win," said McEnroe, whose return to cup competition after a self-imposed three-year exile was as emotional as it was successful. "I felt like it was maybe going to be one of my last opportunities to play, and I remembered how some of my best moments in tennis had come during Davis Cup."

McEnroe, who now has a record 41 cup singles victories, had at first turned down an offer by Tom Gorman, the captain, to play. But he reconsidered, causing the selection of grass as the surface.

He has made himself available for the semifinal round. But since grass has been ruled out as a semifinal surface and clay appears the front-runner, McEnroe acknowledged that another epic Davis Cup rematch with Boris Becker might not lurk in his immediate future.

"But if I get the call for Kansas City, I'm there," he said.

SCOREBOARD

BASEBALL

Major League Standings

(Through Saturday's Games)

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
Toronto	34	28	.548	—
Boston	32	27	.542	½
Detroit	29	32	.475	4½
Milwaukee	26	33	.441	6½
New York	25	32	.439	6½
Cleveland	22	37	.373	10½
Baltimore	21	38	.356	11½
West Division				
Oakland	37	24	.607	—
Minnesota	37	25	.597	½
Texas	31	25	.554	3½
California	33	27	.550	3½
Seattle	33	28	.541	4
Chicago	29	30	.492	7
Kansas City	28	31	.475	8

NATIONAL LEAGUE

East Division	W	L	Pct.	GB
Pittsburgh	36	22	.621	—
St. Louis	32	28	.533	5
New York	31	28	.525	5½
Chicago	31	30	.508	6½
Montreal	27	34	.443	10½
Philadelphia	26	35	.426	11½
West Division				
Los Angeles	35	25	.583	—
Atlanta	31	27	.534	3
Cincinnati	32	28	.533	3
San Diego	32	31	.508	4½
San Francisco	25	37	.403	11
Houston	24	37	.393	11½

Friday's Line Scores

AMERICAN LEAGUE

Minnesota 002 140 000—7 11 0
Cleveland 000 000 000—0 4 0
Morris, Willis (8) and Harper; Shaw, Nichols (5), Orosco (9) and Skinner. W—Morris, 8-5. L—Shaw, 0-1. HRs—Minnesota, Hrbek (6), Mack (5).

Baltimore 000 001 000—1 8 1
Toronto 372 100 02x—[illegible] 12 0
J.M. Robinson, Flanagan (4), Hickey (8) and Whitt; Stottlemyre, Ward (9) and Myers. W—Stottlemyre, 7-2. L—J.M.Robinson, 3-6. HRs—Toronto, Gruber (4), Whiten (2), Olerud (7).

California 200 002 000—4 8 0
Boston 020 000 70x—9 11 2
Abbott, J.D.Robinson (7), McClure (7), Eichhorn (7), Bailes (8) and Tingley; Clemens and Pena. W—Clemens, 9-3. L—J.D. Robinson, 0-1. HRs—Boston, Clark (7), Burks (7).

Kansas City 101 010 000—3 5 1
Chicago 001 120 13x—9 14 0
Aquino, Crawford (5) and Mayne; McDowell, Radinsky (8) and Merullo, Fisk (9). W—McDowell, 8-3. L—Aquino, 0-1. Sv—Radinsky (2). HR—Chicago, Thomas (9).

New York 000 003 001—4 12 1
Texas 700 001 00x—8 9 0
Taylor, Cadaret (1), Howe (6), Guetterman (8) and Nokes, Geren (8); Jo.Guzman, Jeffcoat (8), Bitker (9) and Stanley. W—Jo.Guzman, 1-2. L—Taylor, 2-1. HRs—New York, Maas (11), Nokes (9). Texas, Huson (1).

Detroit 101 300 000—5 9 1
Seattle 000 000 010—1 2 0
Gakeler, Gibson (8), Henneman (9) and Tettleton; Holman, Jones (6), Burba (9) and Valle. W—Gakeler, 1-1. L—Holman, 7-6. HR—Detroit, Barnes (1).

NATIONAL LEAGUE

Atlanta 100 000 000—1 6 0
Montreal 000 100 10x—2 8 0
Glavine, St. Claire (8) and Olson; M.Gardner, Burke (8), Ruskin (8) and Fitzgerald. W—M.Gardner, 2-3. L—Glavine, 10-3. Sv—Ruskin (4). HR—Atlanta, Gant (12).

Cincinnati 000 110 020—4 10 1
Philadelphia 100 001 000—2 7 0
Browning, Dibble (9) and Oliver, Reed (9); Mulholland, McDowell (8) and Lake. W—Browning, 9-4. L—Mulholland, 6-6. Sv—Dibble (17). HR—Philadelphia, Murphy (9).

Houston 010 000 003—4 11 0
New York 010 000 000—1 4 0
Harnisch, Capel (7), Clancy (9) and Biggio; Cone, Franco (9), Innis (9) and Cerone. W—Capel, 1-1. L—Franco, 1-6. Sv—Clancy (2).

Pittsburgh 000 200 000—2 4 1
San Francisco 020 000 01x—3 8 0
Z.Smith and LaValliere; Burkett, Oliveras (8), Righetti (9) and Decker. W—Oliveras, 2-2. L—Z.Smith, 7-5. Sv—Righetti (7). HR—San Francisco, McGee (4).

Chicago 201 020 002—7 15 1
San Diego 000 000 210—3 7 1
Jackson, McElroy (6), Assenmacher (7), Slocumb (8), Do.Smith (8) and Berryhill; Benes, M.Maddux (5), Rodriguez (8), Andersen (9) and Santiago. W—Jackson, 1-2. L—Benes, 4-7. Sv—Do.Smith (16). HRs—Chicago, Walton (2). San Diego, Jackson (4).

St. Louis 000 000 010—1 9 0
Los Angeles 010 000 001—2 5 1
DeLeon, Agosto (7), Terry (9) and Pagnozzi; Hershiser, Crews (7), Howell (9) and Scioscia. W—Howell, 1-2. L—Terry, 1-1.

Saturday's Line Scores

AMERICAN LEAGUE

California 000 030 000—3 6 0
Boston 700 031 20x—13 16 1
Finley, Robinson (1), Bailes (5), McClure (7), Harvey (8) and Tingley; Gardiner, Plympton (9) and Pena, Marzano (8). W—Gardiner, 3-1. L—Finley, 10-3. HR—Boston, Clark (8).

Baltimore 111 203 000—8 12 0
Toronto 100 300 000—4 9 3
Ballard, Williamson (7) and Melvin; Guzman, Fraser (5), MacDonald (6), Acker (8), Henke (9) and Borders. W—Ballard, 4-7. L—Guzman, 0-2. Sv—Williamson (3). HRs—Baltimore, Melvin (1), Devereaux (8). Toronto, Carter (11).

Oakland 100 101 010—4 6 1
Milwaukee 030 030 00x—6 6 0
Stewart, Burns (8) and Quirk; Navarro, Plesac (8) and Surhoff. W—Navarro, 4-4. L—Stewart, 4-3. Sv—Plesac (2). HRs—Milwaukee, Vaughn 2 (11).

Minnesota 106 020 200—11 15 2
Cleveland 320 010 001—7 9 0
Guthrie, Abbott (2), Bedrosian (8) and Harper, Webster (8); Mutis, King (3), York (5), Jones (9) and Skinner, Manto (9). W—Abbott, 2-0. L—Mutis, 0-1.

Kansas City 320 000 000—5 9 0
Chicago 000 110 010—3 7 0
Boddicker, M.Davis (8), Montgomery (8) and Macfarlane; Garcia, Perez (2) and Fisk. W—Boddicker, 6-5. L—Garcia, 0-2. Sv—Montgomery (14). HRs—Kansas City, Gibson (9), Tartabull (10), Macfarlane (7). Chicago, Thomas (10).

New York 200 000 001—3 12 0
Texas 100 012 00x—4 8 0
Leary, Habyan (7), Farr (8) and Nokes; Brown, Rogers (7), Gossage (7), Russell (9) and Stanley. W—Brown, 5-5. L—Leary, 3-6. Sv—Russell (14). HR—Texas, Franco (7).

Oakland 020 400 100—7 9 0
Milwaukee 000 200 100—3 7 1
Hawkins, Chitren (7) and Steinbach; Brown, Knudson (4) and Dempsey. W—Hawkins, 2-4. L—Brown, 2-4. Sv—Chitren (2). HRs—Oakland, R.Henderson (4), Canseco (12).

Detroit 020 000 000—2 5 1
Seattle 403 106 01x—15 18 0
Ritz, Cerutti (1), Searcy (5), Dalton (6) and Allanson; Johnson, Swift (7) and Bradley. W—Johnson, 4-6. L—Ritz, 0-2. Sv—Swift (6). HR—Detroit, Fryman (6).

NATIONAL LEAGUE

Chicago 100 001 000—2 8 1
San Diego 000 002 04x—6 11 0
Lancaster, Slocumb (6), Bielecki (7), Assenmacher (8) and Villanueva, Wilkins (8); Rasmussen, Lefferts (9) and Santiago. W—Rasmussen, 3-1. L—Bielecki, 8-5. HRs—Chicago, Bell (13). San Diego, Howard (1).

Pittsburgh 000 000 000—0 3 1
San Francisco 004 000 00x—4 8 1
Smiley, Belinda (6), Heaton (7), Kipper (8) and Slaught; Remlinger and Decker. W—Remlinger, 1-0. L—Smiley, 8-3. HR—San Francisco, Williams (9).

Houston 000 000 000—0 3 1
New York 020 102 10x—6 9 1
Jones, Henry (7) and Biggio; Gooden and Sasser. W—Gooden, 6-5. L—Jones, 4-4. HR—New York, Templeton (2).

Cincinnati 102 000 000—3 4 1
Philadelphia 000 010 000—1 5 0
Rijo, Dibble (9) and Reed; Ashby, Ruffin (6), Boever (9) and Fletcher. W—Rijo, 6-2. L—Ashby, 0-2. Sv—Dibble (18). HR—Cincinnati, Larkin (7).

Atlanta 000 000 000—0 6 0
Montreal 100 010 00x—2 9 0
Smoltz, Stanton (6), St. Claire (7), Mercker (8) and Olson; De.Martinez and Hassey. W—De.Martinez, 9-4. L—Smoltz, 2-8.

St. Louis 010 002 110—5 9 0
Los Angeles 000 010 030—4 10 1
B.Smith, Carpenter (7), Agosto (8), L.Smith (8) and Pagnozzi; R.Martinez, Hartley (8), Howell (9) and Scioscia. W—B.Smith, 5-4. L—R.Martinez, 10-3. Sv—L.Smith (15).

Japanese Baseball

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Chunichi	30	21	1	.588	—
Yakult	31	22	1	.585	—
Hiroshima	28	21	1	.571	1
Yomiuri	28	27	0	.509	4
Taiyo	25	28	1	.472	6
Hanshin	15	38	0	.283	16

Sunday's Results
Chunichi 5, Hanshin 2
Yakult 7, Taiyo 6, 13 innings
Hiroshima 4, Yomiuri 0

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Seibu	32	19	2	.627	—
Kintetsu	30	22	0	.577	2½
Nippon Ham	27	25	1	.519	5½
Daiei	24	24	0	.500	6½
Orix	22	31	1	.415	11
Lotte	20	34	0	.370	13½

Sunday's Results
Kintetsu 2, Seibu 1
Lotte 4, Nippon Ham 1
Orix 7, Daiei 6

EUROPEAN CLUB CHAMPIONSHIP
Final
Nettuno (Italy) 12, Harlem (Netherlands) 2

TENNIS

QUEEN'S CLUB TOURNAMENT
In London
Semifinals
Stefan Edberg (1), Sweden, def. Malivai Washington, U.S., 6-4, 6-2; David Wheaton (6), U.S. def. Anders Jarryd (7), Sweden, 6-3, 6-4.
Final
Edberg def. Wheaton, 6-2, 6-3.

EDGBASTON TOURNAMENT
In Birmingham, England
Semifinals
Martina Navratilova (1), U.S. def. Brenda Schultz, Netherlands, 6-3, 6-2; Natalia Zvereva (4), Soviet Union, def. Zina Garrison (2), U.S., 2-6, 7-6 (7-4), 8-6.
Final
Navratilova def. Zvereva, 6-4, 7-6.

FLORENCE ATP TOURNAMENT
Semifinals
Horst Skoff (1), Austria, def. Eduardo Masso, Argentina, 6-4, 6-4; Thomas Muster, Austria, def. Carlos Costa, Spain, 6-7 (4-7), 6-1, 6-3.
Final
Muster def. Skoff, 6-2, 6-7 (2-7), 6-2.

CONTINENTAL TOURNAMENT
In Rosmalen, Netherlands
Semifinals
Christian Saceanu, Germany, def. Jakob Hlasek (4), Switzerland, 6-3, 3-6, 7-6 (7-5); Michiel Schapers, Netherlands, def. Michael Stich (2), Germany, 6-4, 7-6 (7-4).
Final
Saceanu def. Schapers, 6-1, 3-6, 7-5.

Davis Cup

WORLD GROUP
Quarterfinals
United States 4, Spain 0
John McEnroe, U.S., def. Tomas Carbonell, 6-3, 6-2, 6-1; Rick Leach and Jim Pugh, U.S. def. Emilio Sanchez and Sergio Casal, 7-6 (8-6), 6-3, 7-6 (7-3); McEnroe def. Sanchez, 6-4, 3-6, 6-3.

EUROPEAN ZONE, GROUP TWO
Norway 4, Greece 1
Christian Ruud, Norway, def. Tasos Bavelas, 6-3, 6-2, 6-4; Bent Ove Pedersen, Norway, def. George Kalovelonis, 6-4, 6-3, 2-6, 3-6, 8-6; Pedersen and Anders Rotlsen, Norway, def. Bavelas and Kalovelonis, 6-2, 6-1, 6-4; Bavelas def. Pedersen, 1-6, 7-5, 10-8; Ruud def. Kalovelonis, 6-3, 3-6, 6-2.
Luxembourg 5, Turkey 0
Johny Goudenbour, Luxembourg, def. Alaaddin Karagoz, 6-2, 6-3; Jacques Radoux, Luxembourg, def. Mustafa Azkara, 6-1, 6-0.

ASIA/OCEANIA ZONE, GROUP TWO
Second Round
Hong Kong 5, Singapore 0
Mark Bailey and Michael Walker, Hong Kong, def. Liu Wai Yaw and Fredrik Ho, 6-1, 7-5, 6-1; Michael Walker, Hong Kong, def. Kho Tung Yi, 6-1, 6-0, 6-3; Pong Lui, Hong Kong, def. Fredrik Ho Kuen Yiep, 6-2, 6-2, 6-2.
Taiwan 3, Malaysia 2
Lien Yu-Hui and Liu Chung-Hsing, Taiwan, def. Adam Malik and Selvam Veerasingam, 7-5, 6-4, 6-7 (5-7), 7-6 (7-1), 6-3; Adam Malik, Malaysia, def. Lien Yu-Hui, 6-3, 6-4, 7-6 (4-7); Liu Chung-Hsing, Taiwan, def. Selvam Veerasingam, 7-6 (7-4), 6-7 (5-7), 7-6 (8-6), 6-3.
Sri Lanka 3, Bangladesh 0
Rohan de Silva, Sri Lanka, def. Shavon Jamaly, 6-4, 6-2, 7-5; Arjun Fernando and Rohan de Silva, Sri Lanka, def. Shavon Jamaly and Sardar Iftekhar, 6-4, 6-4, 6-3.

AFRICAN ZONE, GROUP TWO
Second Round
Egypt 5, Ghana 0
Hassan el-Aroussy and Tamir el-Sawi, Egypt, def. Kenneth Dowuona and Kojo Aliso, 6-4, 6-2, 6-2; Amr Ghoneim, Egypt, def Kolo Aliso, 7-6, 7-5; Hassan al-Arousi, Egypt, def. Mike Amoah, 6-7, 7-6, 8-6.
Ivory Coast 5, Togo 0
Emile NGoran and Ilou Lonto, Ivory Coast, def. Katore Agnambo and Aati Kodia, 6-2, 6-2, 6-7, 6-1; Jean-Christophe Nabi, Ivory Coast, def. Apeli Kodzo, 3-6, 6-1, 7-5; Ilou Lonto, Ivory Coast, def. Mensah Gbeboume, 6-0, 6-2.

CYCLING

Giro d'Italia

Top finishers in Saturday's 20th stage, an individual against-the-clock 66-kilometer race, from Broni to Casteggio: 1. Franco Chioccioli, Italy, one hour, 33 minutes, 17 seconds; 2. Gianni Bugno, Italy, 52 seconds behind; 3. Claudio Chiappucci, 1:07 minutes behind; 4. Marco Giovannetti, Italy, 2:08 minutes behind; 5. Marino Lejarreta, Spain, 2:09 minutes behind; 6. Massimiliano Lelli, Italy, 3:18 minutes behind; 7. Stephen Hodge, Australia, 3:27 minutes behind; 8. Vladimir Pulnikov, Soviet Union, 3:31 minutes behind; 9. Pedro Delgado, Spain, 3:36 minutes behind; 10. Leonardo Sierra, Venezuela, 3:59 minutes behind.

Top finishers in Sunday's 21st and final stage, a 153-kilometer race from Pavia to Milan: 1. Mario Cipollini, Italy, four hours, 48 seconds; 2. Djamolidine Abdoujaparov, Soviet Union, same time; 3. Endrio Leoni, Italy, s.t.; 4. Casimiro Moreda, Spain, s.t.; 5. Giovanni Fidanza, Italy, s.t.; 6. Silvio Martinello, Italy, s.t.; 7. Fabiano Fontanelli, Italy, s.t.; 8. Stefano Allocchio, Italy, s.t.; 9. Jan Svorada, Czechoslovakia, s.t.; 10. Martin Shalckers, Netherlands, s.t.

Final standings: 1. Chioccioli, 99 hours, 35 minutes, 43 seconds; 2. Chiappucci, 3:48 minutes behind; 3. Lelli, 6:56 minutes behind; 4. Bugno, 7:49 minutes behind; 5. Lejarreta, 10:23 minutes behind; 6. Eric Boyer, France, 11:09 minutes behind; 7. Sierra, 11:56 minutes behind; 8. Giovannetti, 12:09 minutes behind; 9. Zenon Jaskula, Poland, 18:22 minutes behind; 10. Eduardo Chozas, Spain, 23:42 minutes behind.

SOCCER

DUTCH FIRST DIVISION
PSV Eindhoven 3, FC Volendam 0
Ajax Amsterdam 3, Vitesse Arnhem 0
SC Heerenveen 4, FC Groningen 2
FC Den Haag 1, Willem II Tilburg 0
MVV Maastricht 1, FC Utrecht 1
Sparta Rotterdam 5, SVV Schiedam 3
RKC Waalwijk 6, FC Twente Enschede 6
Roda JC Kerkrade 1, Fortuna Sittard 1
NEC Nijmegen 2, Feyenoord Rotterdam 1
Final standings: PSV Eindhoven 53 points; Ajax Amsterdam 53; FC Groningen 46; FC Utrecht 42; Vitesse Arnhem 37; FC Twente 36; RKC Waalwijk 35; Feyenoord Rotterdam and FC Volendam 32; Roda JC 31; Willem II Tilburg and Fortuna Sittard 30; Sparta Rotterdam 29; FC Den Haag 28; MVV Maastricht 27; SVV Schiedam and Heerenveen 24; NEC Nijmegen 23.

GERMAN FIRST DIVISION
FC Cologne 2, FC Kaiserslautern 6
Bayern Munich 2, Bayer Uerdingen 2
SG Wattenscheid 0, FC Nuremberg 1
Moenchengladbach 2, Fortuna Duesseldorf 0
Hamburger SV 2, Karlsruhe 2
Eintracht Frankfurt 4, VfB Stuttgart 0
Borussia Dortmund 5, FC St. Pauli 2
Hertha BSC Berlin 1, Bayer Leverkusen 2
Werder Bremen 2, Bochum 1
Final standings: FC Kaiserslautern 48 points; Bayern Munich 45; Werder Bremen 42; Eintracht Frankfurt and Hamburger SV 40; VfB Stuttgart 38; FC Cologne 37; Bayer Leverkusen and Borussia Moenchengladbach 35; Borussia Dortmund 34, SG Wattenscheid 33; Fortuna Duesseldorf 32, Karlsruher SC 31; VfL Bochum and FC Nuremberg 29; FC St. Pauli 27; Bayer Uerdingen 23; Hertha BSC Berlin 14.

SPANISH CUP
Quarterfinal, second leg
Barcelona 3, Sevilla 0

PRESIDENT'S CUP TOURNAMENT
Final
South Korea 2, Egypt 0

TRANSACTIONS

BASEBALL
American League

BALTIMORE—Put Dwight Evans, outfielder, on 15-day disabled list. Activated Brady Anderson, outfielder, from 15-day disabled list.

BOSTON—Signed Scott Hatteberg and James Lentz, catchers; Sheridan Bush, Terry Horn, Chad Schoenvogel, and Cesar Martinez, pitchers; and Jermaine Johnson and Danny Jones, outfielders.

CHICAGO—Named Marv Foley, manager, of Vancouver, Pacific Coast League, replacement. Named Moe Drabowsky interim manager.

CLEVELAND—Waived Luis Medina, designated hitter. Called up Jeff Mutis, pitcher, from Colorado, Pacific Coast League. Assigned Mike Walker, pitcher, to Colorado. Named Dominic Chiti coach. Called up Jeff Mutis, pitcher, from Canton-Akron, Eastern League. Optioned Mike Walker, pitcher, to Colorado.

DETROIT—Put Pete Incaviglia, outfielder, on 15-day disabled list. Bought contract of Skeeter Barnes, outfielder, from Toledo, International League.

KANSAS CITY—Put Bret Saberhagen, pitcher, on 15-day disabled list. Recalled Mike Magnante, pitcher, from Omaha, American Association.

MILWAUKEE—Put Gary Sheffield, third baseman, on 15-day disabled list. Activated Darryl Hamilton, outfielder, from 15-day disabled list.

N.Y. YANKEES—Put Mike Witt, pitcher, on 15-day disabled list as of June 14. Bought contract of Scott Kamieniecki, pitcher, from Columbus, International League.

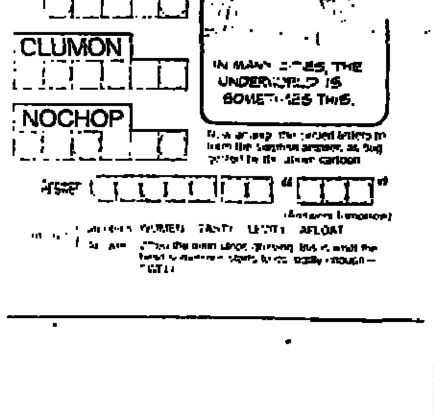
OAKLAND—Activated Todd Burns, pitcher, from 15-day disabled list. Sent Troy Afenir, catcher, to Tacoma, Pacific Coast League.

National League

ATLANTA—Signed Rick Mahler, pitcher. Sent Danny Heep, outfielder, to Richmond, International League.

DENNIS THE MENACE

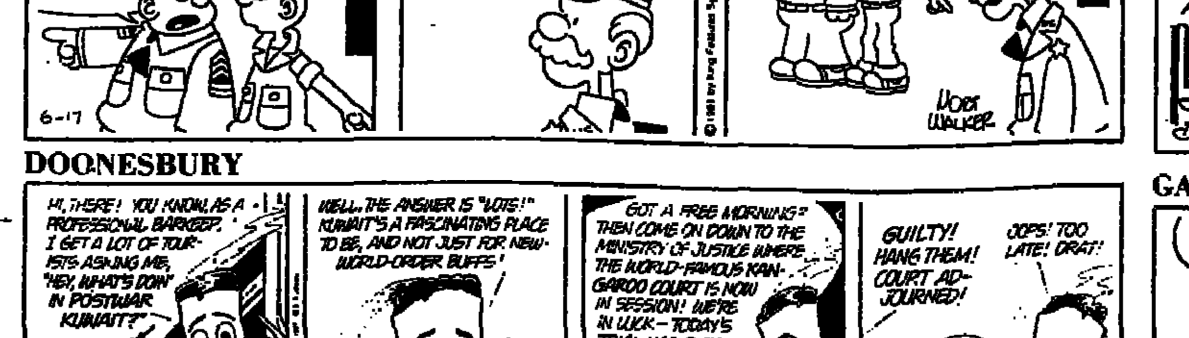
"NOW THAT'S WHAT I CALL A HAPPY ENDING!"



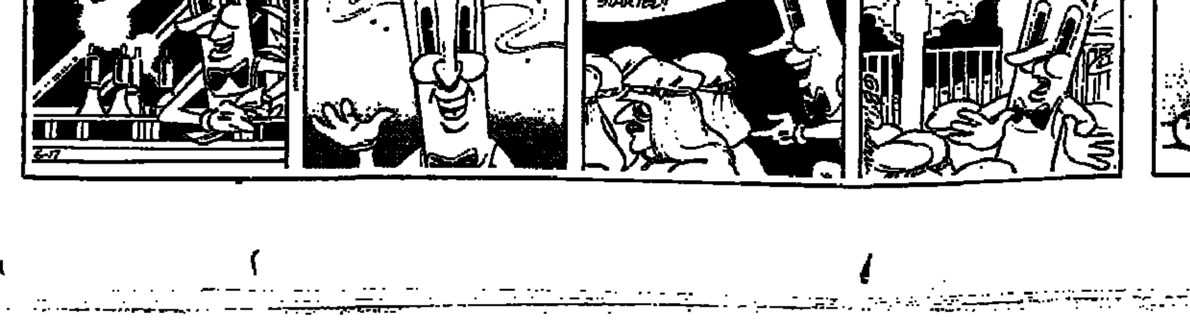
PEANUTS

BLONDIE

BEETLE BAILEY



DOONESBURY



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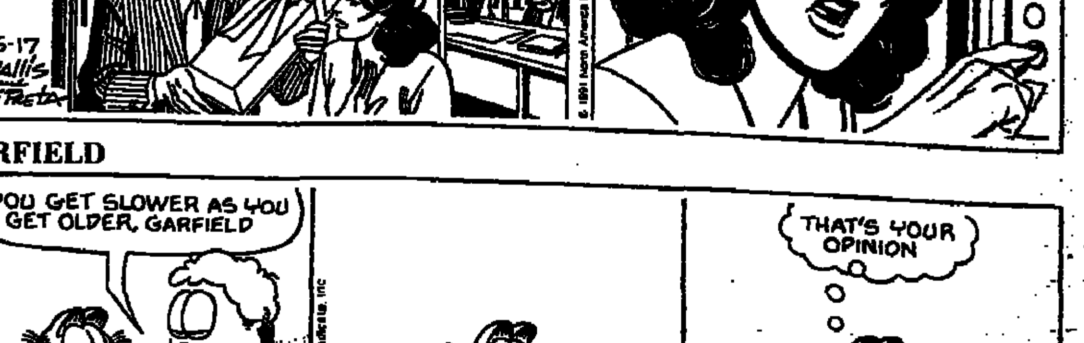

GARFIELD

Twins … With a Victory

SIDELINES

Chioccioli T… In Giro d'Ital…

PSV Eindhov… Title in Dutch

For the Recor…

Germany
Semifinal

MONDAY SPORTS

Twins Win 15th in Row With a 10th-Inning Victory Over Indians

Compiled by Our Staff From Dispatches

The Minnesota Twins won their 15th straight game on Sunday, for the longest winning streak in the major leagues since 1977, scoring twice in the 10th inning to beat the Cleveland Indians, 4-2, in Cleveland.

The winning streak is the longest since Kansas City won 16 in a row in 1977. Texas won 14 in a row in May this year. The American League record of 19 was set by Chicago in 1906 and matched by New York in 1947. The major-league record is 26, set by the New York Giants in 1916.

Minnesota begins a three-game series Monday night in Baltimore.

Al Newman drew a one-out walk in the 10th from Shawn Hillegas, 2-1. Kirby Puckett, who homered earlier, singled him to third and Chili Davis followed with a sacrifice fly. Brian Harper singled home Puckett, who had taken second on Davis's fly.

Seven of the Twins' victories in the streak have come against Cleveland, which has lost five straight and 10 of the last 11.

Rick Aguilera, 2-2, got the victory despite yielding the tying run in the eighth inning. He walked Carlos Baerga, who went to third on a one-out single by Alex Cole. Felix Fermin then singled to right, tying it, 2-2. It was Aguilera's fourth blown save in 21 opportunities.

Cleveland starter Greg Swindell shut out Minnesota on three hits until the sixth, when Puckett atoned for an earlier error by tying the game, 1-1, with a home run to center, his eighth. The Twins took a 2-1 lead in the seventh when Gene Larkin led off with a double — his third hit — and scored on Newman's two-out single.

Red Sox 2, Angels 0: Tom Bolton gave up five hits in eight innings in Boston as the Red Sox defeated California for the third consecutive time.

Bolton, 6-4, snapped his three-game losing streak, striking out three and walking one. Jeff Reardon completed the shutout for his 17th save as the Red Sox won for the fifth time in six games.

Wade Boggs, who began the day in a 7-for-42 slump, hit a two-run single in the fifth for the only scoring.

The Angels advanced just one runner as far as third base in losing their season-high fourth game in a row. They have won just two of their last nine.

Kirk McCaskill, 6-7, allowed seven hits, all singles, but the Red Sox combined two with a pair of walks for their two runs in the fifth, dealing him a second loss in his last six decisions.

Jack Clark began the decisive fifth with a line single off the left-field wall and took second as Tony Pena grounded out. Luis Rivera walked and Jody Reed flied out before Carlos Quintana walked, filling the bases.

Orioles 13, Blue Jays 8: Leo Gomez's bases-loaded RBI single snapped a seventh-inning tie and Joe Orsulak followed with his first career grand slam for Baltimore's victory in Toronto.

Gomez and Cal Ripken slugged two-run homers and Randy Milligan added a solo shot and scored four times for Baltimore to offset Joe Carter's three hits and four RBI.

With the score tied 8-8, the Orioles loaded the bases with none out in the seventh on singles by Billy and Cal Ripken and a walk to Milligan from Duane Ward. After Gomez singled home the go-ahead run, Orsulak, hitting for Bob Melvin, lined an 0-2 pitch over the right-field fence for his third homer of the season.

The Orioles' 13 runs marked the club's season-high, and they were the most off Toronto since Seattle scored 14 on May 17, 1990. The victory went to Todd Frohwirth, 1-0, who entered the game in the sixth and pitched three scoreless innings. Greg Olson pitched the ninth, striking out two. *(AP, UPI)*

■ *In games Saturday, The Associated Press reported:*

Orioles 8, Blue Jays 4: Bob Melvin went five-for-five, with a home run, and Mike Devereaux hit a three-run homer as Baltimore snapped a six-game losing streak in Toronto. Melvin also drove in two runs and scored twice in becoming the 28th Oriole to get five hits in a game.

Red Sox 13, Angels 3: In Boston, Chuck Finley gave up seven runs on six hits in the first inning and the Red Sox went on to rout California. Finley, now 10-3, entered the game tied for the major-league lead in victories and had a 3.12 earned-run average. But he lasted only two-thirds of an inning.

Brewers 6, Athletics 4; Athletics 7, Brewers 3: Rickey Henderson hit a three-run homer to cap a four-run fourth in Milwaukee and Jose Canseco also homered as Oakland split a doubleheader. Greg Vaughn hit two home runs off Oakland's ace, Dave Stewart, in the opener.

Twins 11, Indians 7: In Cleveland, Minnesota overcame an early four-run deficit and won its 14th straight game. Scott Leius had a career-high four RBIs, two during a six-run third inning in which Kirby Puckett hit a two-run triple.

Royals 5, White Sox 3: Danny Tartabull's two-run homer and solo shots by Kirk Gibson and Mike Macfarlane helped Mike Boddicker and Kansas City win in Chicago. It was only the Royals' first victory in five games against the White Sox this season.

Rangers 4, Yankees 3: Julio Franco's two-run homer in the sixth produced the go-ahead runs as Texas, playing at home in Arlington, defeated New York. Franco went to the opposite field on a 3-2 pitch from Tim Leary to snap a 2-2 tie.

Mariners 15, Tigers 2: The Mariners received a club-record 14 walks and Dave Cochrane drove in a career-high five to defeat Detroit in Seattle.

AMERICAN LEAGUE

SIDELINES

Chioccioli Triumphs In Giro d'Italia Cycling

MILAN (AP) — Franco Chioccioli of Italy won the Giro d'Italia cycling race Sunday for his first major triumph.

Chioccioli, 31, completed the tour with a lead of 3 minutes, 48 seconds over Claudio Chiappucci of Italy, who had placed second to Greg LeMond in last year's Tour de France.

PSV Eindhoven Wins Title in Dutch Soccer

AMSTERDAM (AP) — PSV Eindhoven won a fifth Dutch soccer championship in six years Sunday, finishing the season with a mere two-goal differential over Ajax Amsterdam.

● Kaiserslautern won its first German soccer title in nearly four decades on Saturday with a 6-2 defeat of Cologne.

For the Record

Maurizio Stecca of Italy retained his WBO featherweight title Saturday night with a unanimous decision over Fernando Ramos Salas of Mexico in Montichiari, Italy. *(AP)*

Park Young Kyun knocked out Masuaki Takeda of Japan in the sixth round to defend his WBA featherweight title in Seoul. *(AP)*

Edwin Rosario took the WBA junior welterweight championship from Loreto Garza with a knockout at 1:09 of the third round in Sacramento, California. *(AP)*

Kid Akeem Anifowoshe of Nigeria regained consciousness Sunday after being hospitalized with a blood clot in his head after a loss to IBF junior bantamweight champion Robert Quiroga in San Antonio, Texas. *(AP)*

John J. Jordan, 80, who coached the Notre Dame basketball team to its first six NCAA tournament appearances between 1951 and 1964, died in Oak Forest, Illinois. *(AP)*

Gary Hershorn/Reuters

Mike Blake/Reuters

Sandy Lyle, above, saw a U.S. Open title in his future when he closed to four shots of the lead during the third round. Nolan Henke saw his hopes trapped on the fifth green; he dropped five shots to par, and five off the lead.

A Steal for the Braves, but Expos Survive

Compiled by Our Staff From Dispatches

Delino DeShields doubled home two runs in a three-run sixth inning Sunday and the Montreal Expos survived six stolen bases by Otis Nixon for a 7-6 victory over the Braves in Atlanta.

Nixon, a late replacement for outfielder Dave Justice, set a National League record and tied the major-league record set by Eddie Collins of the Philadelphia Athletics in 1912. His base-running helped Atlanta jump to a 3-0 lead. Two of his stolen bases came in the ninth, when he was stranded at third as the tying run as Montreal completed a three-game sweep.

Bill Sampen, 4-1, gave up one run over two innings of relief for the victory and Barry Jones struck out three batters in the ninth for his fourth save.

Astros 5, Mets 4: Houston won a series in New York for the first time since May 1984 as Mark Portugal and two relievers held on to beat the Mets. The Astros have won four of seven games against the Mets over the last 10 days, including two of three in New York.

Portugal, 6-2, pitched six innings and gave up three runs and seven hits. Jim Corsi worked two innings and Al Osuna finished for his fifth save. Frank Viola, 7-4, was the loser for fourth time in his last six starts. He allowed five runs, four earned, on nine hits in seven innings.

Reds 8, Phillies 6: Randy Myers escaped an eighth-inning jam and singled home one of Cincinnati's two unearned ninth-inning runs for the victory. The Reds won for the seventh time in eight games and swept a three-game series in Philadelphia for the first time since August 1979. The Phillies blew a 4-1 lead in losing for the seventh time in eight games.

Myers, 3-4, got Mickey Morandini to pop out with runners on first and third to end the eighth and added an RBI single in the ninth off Roger McDowell, 3-3. Myers suffered a leg injury getting the first out in the ninth and Don Carman finished for his first save.

With one out in the ninth, Glenn Braggs reached on an error by shortstop Dickie Thon and went to third on a single by Chris Jones. Paul O'Neill walked to load the bases, and Jeff Reed hit his sacrifice fly to snap a 6-6 tie. After Hal Morris was walked intentionally, Myers scored Jones with an infield single. *(UPI, AP)*

■ *In Saturday's games, The Associated Press reported:*

Mets 6, Astros 0: Dwight Gooden pitched a three-hitter in New York for his 21st major league shutout and Garry Templeton homered for the first time for the Mets and drove in three runs against Houston.

Gooden struck out five, walked none and did not permit a runner past second base in his first victory in his last five starts. It was just his second shutout in 64 starts since 1988.

Giants 4, Pirates 0: Mike Remlinger pitched a three-hit shutout in his major-league debut as the San Francisco, playing at home, defeated Pittsburgh.

Remlinger, the Giants' first choice in the 1987 amateur draft struck out four and walked three. The Giants recalled Remlinger from Class AAA Phoenix, to replace injured right-hander Scott Garrelts in the rotation.

Padres 6, Cubs 2: In San Diego, Jerald Clark's two-run single snapped an eighth-inning tie and beat Chicago. Tim Teufel added an RBI double and Scott Coolbaugh drove in a run with a sacrifice fly to cap the four-run inning.

Reds 3, Phillies 1: Barry Larkin hit a two-run homer and Jose Rijo gave up one run in 8⅓ innings to lead Cincinnati to victory in Philadelphia. But the losing pitcher, Andy Ashby, made the history books. The rookie right-hander, making his second major-league start, struck out the side in the fourth inning on just nine pitches.

It was only the 12th time in National League history that it had been accomplished, and the first time by a pitcher for the Phillies. Ashby was recalled from Scranton-Wilkes-Barre of the International League on June 8.

Expos 2, Braves 0: Delino DeShields, who walked and stole second, scored the winning run in Atlanta on Ivan Calderon's single as Dennis Martinez pitched an eight-hitter for his third shutout of the season for Montreal.

Cardinals 5, Dodgers 4: In Los Angeles, Lee Smith, roughed up during a Dodgers rally, pitched out of a bases-loaded jam in the eighth, preserving St. Louis's victory.

NATIONAL LEAGUE

Paul Cjunyon/The Associated Press

Delino DeShields of the Expos, foreground, tangling with the Braves' Jeff Blauser at second base.

■ Hayes Out for Season

Von Hayes of the Phillies has a broken wrist and is out for the rest of the season, The Associated Press reported from Philadelphia.

The outfielder, who in the last week has been rumored going to Cincinnati for infielder Mariano Duncan, was batting in the sixth Friday night when he was hit by a pitch from the Reds' Tom Browning. Hayes went to first base, but was sent to a hospital when the Phillies took the field for the seventh.

Hayes becomes a 10-year player on July 25, and since he has played five years with the same team has the right to veto any trade.

Reds Play It Cheap — and It Costs Them Dearly

New York Times Service

Reggie Jefferson was the Cincinnati Reds' first baseman of the immediate and long-range future. They thought so highly of him that they had Jose Cardenal, a former major league outfielder, working with Hal Morris on his play in left field so he could move there from first.

It is Jefferson, however, who has moved — all the way to the Cleveland Indians.

The Reds reluctantly sent him there Friday, receiving another minor leaguer in return, rather than being forced to release him. They put themselves in that unwelcomed position by committing an extraordinary blunder.

The Reds' problem began when Jefferson became ill with pneumonia. Because the Reds thought he would recover in less than two weeks and because they wanted to save money, the team's general manager, Bob Quinn, decided not to put Jefferson on the 15-day disabled list. Had they done so, they would have had to pay him a major league salary (it would have been a meager $1,950 difference) for all 15 days.

Instead, supposedly with input from the league office or the Player Relations Committee, Quinn designated him for assignment. That meant the Reds had 10 days in which to assign his contract to another team, major or minor league, or release him.

They wanted to send him to the minors, but they discovered that attachment 11 of the collective-bargaining agreement does not permit such a move when a player is injured. And it was clear that Jefferson would not be fit to play before the 10-day designated period expired.

Behind-the-scenes negotiations did not resolve the Reds' dilemma, and they were forced to make the trade on the last day of the 10-day period.

"Designated for assignment is not meant to be a roster-jockeying device," Eugene Orza, a union lawyer, said. "We don't want the clubs using it to jockey the roster around in lieu of placing players on the disabled list."

As soon as he is healthy, the run-starved Indians plan to put Jefferson on another list, their starting lineup.

Stewart to Meet Simpson in 18-Hole Playoff

United Press International

CHASKA, Minnesota — Scott Simpson and Payne Stewart finished 72 holes in a tie at the U.S. Open on Sunday, forcing an 18-hole playoff for the title on Monday.

Simpson and Stewart finished four rounds at 6-under-par 282. Simpson bogeyed two of the last three holes and Stewart missed three straight birdie putts.

Simpson had holed a birdie putt on the seventh to take a one-shot lead, then started strongly on the back nine with another birdie on No. 10 to double his margin over Stewart to two strokes.

Simpson shot a 1-under-par 35 on the front side of the par-72 Hazeltine Golf Club course and went into the final nine holes at 7 under par. Stewart, who began the round tied for the lead with Simpson, shot 36.

Stewart had taken a one shot lead on the third hole by hitting his approach to four feet (1.2 meters) and holing the putt for a birdie. But he dropped back into a tie on the sixth when he hit his approach through a bunker into the rough behind the green. He chipped to 15 feet and two-putted.

Simpson played par golf until the birdie on the seventh hole gave him the lead.

Larry Nelson, a two-time PGA champion and the 1983 Open winner, staged a late rally. He had gone into the round seven shots back but carded 33 on the front nine. He added a birdie on the 11th hole and sank a five-foot putt for a birdie on the 13th to pull within three at 4-under for the tournament.

Fred Couples shot a 35 on the front and was 2-under. Defending champion Hale Irwin bogeyed the first two holes before a birdie on the third hole gave him a front nine 38. He was 2 over for the tournament.

Nick Faldo of Britain was even par after nine holes but 3 over for the tournament. Four-time Open champ Jack Nicklaus shot a 74 and finished at 9-over-par 297. Masters winner Ian Woosnam continued to struggle with an 80 and finished the tournament at 300.

Earlier, Ken Denlinger of The Washington Post reported:

Stewart and Simpson each led at various points in the third round, but ended up tied for the lead.

Their 6-under-par 210s over 54 holes led two players by four shots: Scott Hoch and Nick Price, whose 1-under 71 was one of only two subpar rounds for a blustery, cool Saturday. Hoch shot 74; Irwin carded 70 for the only other below-par score, which left him six back.

Simpson (72) caught Stewart (73), the second-round leader, early in the round and had a two-shot lead when he birdied the par-4 13th from about 40 feet (9 meters) and Stewart made a three-putt bogey several minutes later.

But Simpson made bogey from the left rough on the extremely difficult 16th, then three-putted from about 25 feet on the par-3 17th.

From similar high grass, Stewart made a surprising par on 16, but failed to take the outright lead by putting short from about 12 feet at No. 17.

Corey Pavin and Nolan Henke were within one shot of the lead after 36 holes but faltered. Pavin dropped off the leader board after going 7-over through 16 holes. Henke was not as fortunate around the green as he had been, dropping five shots to par and falling to 1-under for the tournament.

Rain caused play to be delayed an hour — and when the leaders teed off, the wind was gusting 20 to 30 miles per hour (30 kph) and more.

Among those who failed to make the cut at 147, 3-over, after two rounds were some big names: Curtis Strange, struggling since winning the 1988 and 1989 Opens; Seve Ballesteros, two-time Masters and British Open champion; Wayne Grady, reigning PGA champion; Lee Trevino, 1968 and 1971 Open champion; Mike Donald, who lost to Irwin in a 19-hole playoff last year, and Billy Andrade, who had won two straight tournaments coming into the Open.

Ten spectators were injured Friday when stairs leading to the bleachers behind the ninth green collapsed. Eight people were treated for scrapes and bruises at the first-aid tents and two people requested to be taken to a hospital for examination.

U.S. OPEN

Third-Round Scores in the U.S. Open

Played on the 7,149-yard, par-72 Hazeltine National Golf Club course (a-denotes amateur):

Scott Simpson	70-68-72—210
Payne Stewart	67-70-73—210
Nick Price	74-69-71—214
Scott Hoch	69-71-74—214
Brian Kamm	69-73-73—215
Fred Couples	70-70-75—215
Nolan Henke	67-71-77—215
Hale Irwin	71-75-70—216
Rick Fehr	74-69-73—216
Craig Parry	70-73-73—216
Sandy Lyle	72-70-74—216
Larry Nelson	73-72-72—217
Jim Gallagher, Jr.	70-72-75—217
Craig Stadler	71-69-77—217
Corey Pavin	71-67-79—217
John Cook	76-70-72—218
Tom Sieckmann	74-70-74—218
Jodie Mudd	71-70-77—218
Davis Love III	70-76-73—219
Nick Faldo	72-74-73—219
Jim Hallet	72-74-73—219
Mark Brooks	73-73-73—219
Lance Ten Broeck	72-73-74—219
Peter Jacobsen	73-73-74—219
Fuzzy Zoeller	72-73-74—219
Loren Roberts	75-70-74—219
Jose Maria Olazabal	73-71-75—219
Bob Tway	75-69-75—219
Andy North	71-71-77—219
Mike Reid	74-72-74—220
Buddy Gardner	74-72-74—220
Tom Kite	71-75-74—220
Keith Clearwater	70-76-74—220
Peter Persons	70-75-75—220
Chris Perry	72-73-75—220
Blaine McCallister	72-72-76—220
Wayne Levi	72-72-76—220
Ed Humenik	72-70-78—220
Ian Woosnam	73-68-79—220
Billy Mayfair	72-73-76—221
Tim Simpson	73-72-76—221
Raymond Floyd	73-72-76—221
John Inman	72-72-77—221
Tom Watson	73-71-77—221
Billy Ray Brown	73-71-77—221
Larry Rinker	72-72-77—221
Mark Calcavecchia	69-74-78—221
Ian Baker-Finch	77-70-75—222
D.A. Weibring	76-71-75—222
Steve Elkington	77-69-76—222
David Rummells	72-73-77—222
Michael Harwood	71-74-77—222
Tom Purtzer	77-68-77—222
Steve Golsche	72-75-76—223
Jack Nicklaus	70-76-77—223
John Adams	72-75-76—225
Wayne Grady	73-74-78—225
Larry Mize	73-73-79—225
a-Phil Mickelson	73-72-80—225
David Graham	74-71-80—225
Stan Utley	73-71-81—225
Lanny Wadkins	76-76-80—226
Terry Snodgrass	74-73-80—227

Failed to qualify

Bob Eales	72-76—148
Paul Azinger	72-76—148
Tom Byrum	68-80—148
Eric Johnson	77-71—148
Jeff Sluman	75-73—148
Lee Janzen	74-74—148
Timothy Robyn	79-70—149
Bernhard Langer	75-74—149
Seve Ballesteros	72-77—149
Fulton Allem	71-78—149
Mark McCumber	76-73—149
Jon Choffee	74-75—149
Frank Dobbs	73-76—149
John Huston	72-77—149
Lee Trevino	77-72—149
Mark O'Meara	73-76—149
David Frost	75-74—149
Gil Morgan	76-73—149
Jay Delsing	74-75—149
Mitch Adcock	79-70—149
Tom Eubank	75-74—149
Hal Sutton	77-73—150
Jim Benepe	74-76—150
Mike Donald	74-76—150
Robert Meyer	76-74—150
John Wilson	78-72—150
Brad Sherry	78-72—150
Kirk Triplett	75-75—150
a-Allen Doyle	76-74—150
Dave Barr	76-74—150
Bob Boyd	75-75—150
Scott Gump	77-73—150
Don Halldorson	76-75—151
David Jackson	70-81—151
Rick Price	77-74—151
Tommy Tolles	74-77—151
Bill Britton	73-78—151
Fred Funk	75-76—151
Billy Andrade	76-75—151
Rocco Mediate	77-74—151
Curtis Strange	77-74—151
Bobby Wadkins	75-76—151
Billy Tuten	75-76—151
a-Chris Gorgone	76-75—151
Dennis Zinkon	78-73—151
Jumbo Ozaki	77-75—152
Jerry Pate	78-74—152
Rocky Walcher	76-76—152
Steve Jones	76-76—152
Chip Beck	75-77—152
Jon Hough	76-77—153
Jerry Foltz	77-76—153
Andrew Magee	76-77—153
Ray Stewart	77-76—153
Phil Blackmar	77-76—153
Rick Osberg	73-81—154
Jim McGovern	77-77—154
Bruce Zabriski	83-71—154
Jay Overton	81-73—154
Robert Gamez	76-78—154
Dicky Thompson	75-79—154
Bryan Norton	78-77—155
Bob Lasken	81-74—155
Ed Dougherty	79-76—155
Brad Faxon	79-76—155
Eric Booker	78-77—155
John Ross	77-78—156
Brian Tennyson	77-79—156
Cary Hungate	77-79—156
Jacob Ferenz	75-82—157
Jay Gunning	83-74—157
John Paesani	82-75—157
Jeb Stuart	78-79—157
a-Jeff Lee	80-78—158
Scott Beauregard	81-77—158
Sam Randolph	81-78—159
Rick Vershure	79-80—159
Michael Weeks	79-80—159
James Defrixhe	80-80—160
Louie Garcia	82-78—160
Darrell Kestner	78-83—161
Terry Dear	83-78—161
Jack Kay, Jr.	79-83—162
Clay Devers	81-81—162
Joe Hojduch	88-75—163
Chris Endres	85-80—165
George Daves	82-85—167
Paul Oakley	86-81—167
Greg Norman	78—WD
Ronan Rafferty	79—WD
Ken Green	81—WD

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Rodeos, Gushing Oil Wells and Velázquez

International Herald Tribune

PARIS — The Kimbell Art Museum, Michel Laclotte, director of the Louvre, said when introducing the Kimbell's Edmund P. Pillsbury at a recent talk in the Louvre's Musée-Musées series, is, like the Frick, a museum that one loves.

Unlike New York's worldly and long-admired Frick, the Kimbell did not open until 1972 and is

MARY BLUME

in nouveau-riche Texas, a fact that Pillsbury underlined in a neatly-judged talk, both diffident and suave, that began with slides of a rodeo and a gushing oil well.

But in the rambunctious Southwest, Fort Worth's Kimbell is a jewel of a small museum that has been called a late 20th-century Frick. No other museum has in so short a time collected works of such quality and audacity, Laclotte said. And, he added, its cafeteria serves very good food.

Ted Pillsbury, 48, took over in 1980 after the death of the Kimbell's founding director Richard Fargo Brown, having taken his doctorate at the Courtauld Institute in London and spent nine years at Yale, first as curator of European Art at the University Art Gallery, then as director of the Center for British Art, both, like the Kimbell, designed by the architect Louis I. Kahn.

"I think a lot of the accolades for the Kimbell rightfully belong to Louis Kahn," Pillsbury said. "It's a great setting, it enhances the visitor and it enhances the object. There's something about the light that bathes the surface of the pictures and really brings out wonderful qualities. And of course that was Kahn's genius — he understood that the first thing you need in a museum is a quality of light."

The Kimbell was founded, without any restrictions, by a Fort Worth magnate and wholesale collector of cowboy pictures and 18th-century portraits, most of which have been deaccessioned. Brown established a policy of collecting Old Master and Modern European painting, and Oriental, African, Classical and Mesoamerican objects and sculptures.

Pillsbury continued on these lines, adding focus and depth, on a generous but not staggering annual acquisition budget of about $7 million. Soon his purchases were making headlines, but not as examples of Getty-like spree spending. He says he was lucky to buy before prices zoomed out of sight at the end of the '80s.

His purchases included Buddhist sculptures, a kneeling statue of the chief steward of Queen Hatshepsut, a Fra Angelico which was lent to the Metropolitan, one of the finest paintings by Velázquez in the U.S. A Titian Madonna and Child that he calls "a sort of rediscovery," a previously undiscovered Mantegna Holy Family, and, Pillsbury's last major acquisition in 1987, Caravaggio's "The Cardsharps," which proved to have come from Cardinal del Monte's collection: "It was the first picture that del Monte bought, the beginning of Caravaggio's career."

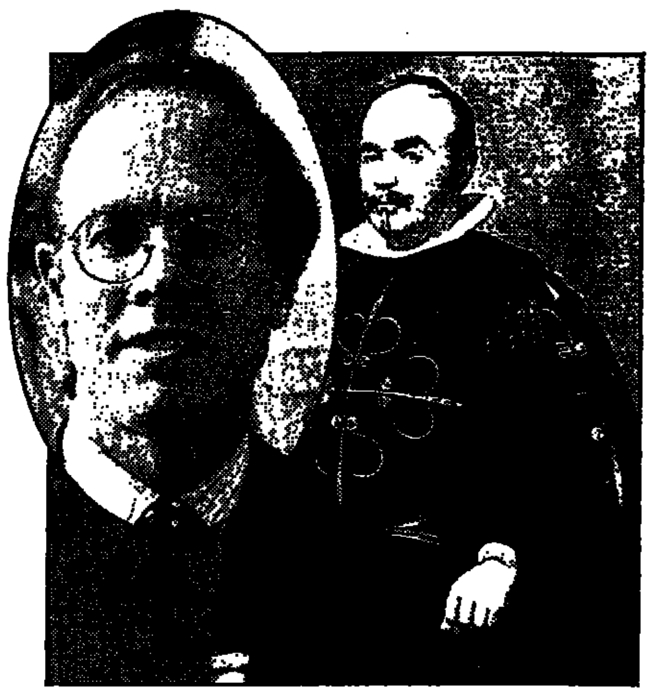
Early on, he persuaded his trustees to buy Annibale Carracci's "The Butcher's Shop." "I'd been told that Fort Worth had this other name of Cowtown and I had this very clever idea that they should have this very early depiction 50 years before the Rembrandt, of a carcass of beef. The trustees thought it was altogether a disagreeable thing."

Behind his round eyeglasses, Pillsbury is assertive and persuasive. His most daring coup, in 1981, was the purchase of George de La Tour's "The Cheat with the Ace of Clubs" which, while negotiations were in progress, was noisily denounced as a 20th-century fake on the basis of the four cardplayers' costumes.

"They practically said one of the players was wearing a Speidel watchband. I though to myself, this will be an interesting acquisition, my first work will be a forgery." He persisted, the picture was bought for under $3 million (the dollar had appreciated during the wait) and the picture was revealed, under X-ray, not only to be authentic but to be an earlier version of the same subject in the Louvre.

"There were certain risks involved but it turned out very well and the condition of the picture is infinitely more satisfactory than the picture in the Louvre."

In addition to buying, Pillsbury expanded the Kimbell's public services, and began installing temporary exhibitions and loan shows.



The Kimbell's Edmund Pillsbury and Velázquez portrait (detail).

He is working on a show with the Louvre, "The Loves of the Gods," based on 18th century paintings from Watteau to David, and with the Italian government on a traveling show to mark the 400th anniversary of the death of Jacopo Bassano. In 1989, works from the Kimbell were shown at the Frick.

"It was a way of demonstrating that of all places in the world there was an institution in Texas that was buying in a field such as Old Masters, perhaps buying well enough so they would think it would one day be worth a trip," Pillsbury said.

In 1987, W magazine declared that Fort Worth was In (Gstaad and St. Moritz were Out). The year before, Pillsbury won the highest possible personal accolade when he was named director of the National Gallery in London. He turned it down.

"I was very flattered to be considered and probably it is fair to say I was shocked to be selected but I thought it was unrealistic on the part of the trustees to think that an American would be an effective catalyst for change. I thought there would be enough xenophobic forces that would rise against any changes I would want to make."

Pillsbury's spectacular career has burgeoned at a time when museums are accepting the idea that small is beautiful: Heedless populism, random purchases and blockbuster shows are no longer possible or even desirable. Pillsbury's own emphasis is on quality and connoisseurship, put at the service of the public.

"Education in museums is a great challenge. You can't really be doing enough of it and you can't be doing it well enough. The museum is a cultural center but not in the utopian 1960s *maison de culture* concept. We don't go to a museum to be force-fed facts we don't want to hear, but to be stretched, to learn something we didn't know or to have a greater insight into something because of the audiovisual programs or because of the labels or the colloquia or the symposia or because of a particularly insightful exhibition that makes you see things new ways."

Interested in encouraging a deeper appreciation of the objects themselves, he disliked what he calls such mega-displays as the "Treasure Houses of Britain" and the principle that more is better as demonstrated in what he calls the oversized Canaletto exhibition at the Metropolitan, the uneven Monet in the '90s show at Boston and Chicago and the "nauseatingly large" Matisse in Nice show at the National Gallery in Washington.

He is disturbed by what he calls cultural relativism which discounts inherited values of quality as "synonymous with a form of Eurocentric censorship inflicted upon artists of the wrong ancestry, gender or skin color."

The idea that with multiculturalism there is no defensible hierarchy of aesthetic or culture values leads, he argues, to the bullying that caused the Corcoran gallery in Washington to yield to political pressure and cancel its exhibition of homoerotic photographs by Robert Mapplethorpe. Pillsbury thinks that Mapplethorpe's work is perhaps offensive but could have been displayed with a warning. The Corcoran's cowardice reinforced, he says, "the spurious idea that subject matter determines the ultimate value of a work."

Pillsbury's emphasis on standards of quality and connoisseurship can lead to charges of elitism. "Hopefully in the best sense I am elitist. I believe that quality has more to say to a broader range of people.

"Let me give you a good example. We did a quite important exhibition of Japanese Buddhist sculpture, many of them classified objects from Japan, really great, great examples of wood carvings and bronzes. It turned out to be a very popular show. It wasn't the same thing as 'The Bronze Age of China,' which had the terra-cotta horses and the big figures and the burial treasure — these were religious objects and they belonged on altars.

"All you can say is that people were probably responding to the quality because they were so extraordinarily carved and realized. They were important artistic statements and very expressive ones. That's all I can think of to explain the success," Pillsbury said, "because there aren't a lot of practicing Buddhists in the Southwest."

LANGUAGE

Teeing Up on, Y'Know, the Pause

By William Safire

WASHINGTON — Alcibiades, the ancient Greek orator, is quoted less often these days than Al Capone.

Granted, the gangster got off a great line, cited by eminent strategic planners as well as young punks: "You can get much farther with a kind word and a gun than you can with a kind word alone." Alcibiades, however, is best remembered for what he did not say.

Robert Byrd of West Virginia, guardian of the U. S. Senate's sense of history, rose in that body recently to call our attention to the lesson of the Greek who was the ward of Pericles.

"Alcibiades is not exactly a paragon of good living," the senator cautioned. That's putting it mildly: Alcibiades was the paragon of recklessness and treachery, who sold out his native Athens for a place in Sparta, and is remembered for opinions like "As for democracy . . . nothing new can be said about an acknowledged foolishness."

We are now into *embolalia*, from the Greek for 'the insertion of chatter.'

But the man could speak, and he had a trick that caused audiences to hang on his words: "Plutarch tells us," Byrd said, "on the authority of the prince of orators, Demosthenes, that Alcibiades often hesitated in the midst of a speech, not hitting upon the word he wanted, and stopped until it occurred to him."

Why, the senator asked rhetorically, don't we do that anymore? "I think there can be an art in the use of a pause. And I find nothing wrong with a pause. It does not have to be filled in with *you know*."

Is his complaint sound — that is, is the ubiquitous *y'know a* nervous filler used by speakers too embarrassed to pause when the appropriate word does not come to mind?

Only sometimes. We are now into what Demosthenes, Alcibiades & Company would call *embolalia* from the Greek for "the insertion of chatter."

Modern linguists led by Leonard Bloomfield in 1933 call these "hesitation forms" — the sounds of stammering *(uh)*, stuttering *(um, um)*, throat-clearing *(ahem!)*, stalling *(well, um, that is)*, interjected when the speaker is groping for words or at a loss for the next thought.

You know that *y'know* is among the most common of these hesitation forms. Its meaning is not the imperious "you understand" or even the old interrogatory "do you get it?"

It is given as, and taken to be, merely a filler phrase, intended to fill a beat in the flow of sound, not unlike *like*, in its new sense of, like, a filler word.

Similarly, *I mean*, as most frequently used today, has ceased to mean *I mean* — in its former sense of "for me, this denotes, expresses, represents," or "here is my import, sense, significance, message."

Ironically, often the new sense of *I mean* is no sense at all: it is intended to convey meaninglessness, a habitual, annoying filler phrase synonymous with the unknowing *y'know*.

But I want to suggest that the words and phrases dismissed as hesitation forms are sometimes used for purposes other than to moan or to stammer with socially acceptable grunts while groping.

All three of these staples of modern filler communication — *I mean, y'know, like* — can also be used as "tee-up words."

In olden times, pointer phrases or tee-up words were *get this, would you believe?* and *are you ready?* The function of these rib-nudging phrases was — are you ready? — to make the point, to focus the listener's attention on what was to follow.

That attention-impelling function, or "articulated colon," today belongs to *I mean, y'know* and *like*, as in "That girl is, *like*, kooky; that guy is, *I mean*, gnarly — *y'know*, far out to the point of spaciness." (Do not confuse this articulated colon with another interjection, known tentatively in the linguistic dodge as "the nail-nibbling self-reassurance"; in the '70s, *O.K.?* was interjected to mean "Are you listening? Am I making sense?" Today, *y'know?* with a rising inflection often serves this nebbishistic function.)

And that's not all, as the man says. (*As the man says, so to speak* and *as it were* are apologies for clichés; for some reason, *the man* has replaced *they*. These are self-conscious interjections related to hesitation forms but considered more adult.)

Another purpose of hesitation forms is to dissociate yourself slightly from the harsh reality of what is to follow. ("Darling, I'm, like, involved with this other person.") It is the articulation of a slight grimace.

By the use of a beat of time filled with a meaningless interjection, uncommitted people who are "into distancing" make a little space between themselves and their words, as if that lessens their impact.

Thus, when we hear one of the ubiquitous trio of hesitation forms, we should ask ourselves: Is this being used as (1) a purposeful tee-up, (2) a cowardly disengager or (3) a mere filler to cover a grope?

If the purpose is to tee up or point, we should accept *y'know* and its friends as a mildly annoying spoken punctuation, the articulated colon that signals "focus on this." If the purpose is disengagement, we should pity the noncommitter. If the purpose is to grab a moment to think, we should allow ourselves to wonder: *Why are filler phrases needed at all?*

What motivates the speaker to fill the moment of silence with any sound at all?

Now we are back to the Alcibiadean pause. Did the sneaky Greek orator really pause because he was seeking the right word — or did he use that refreshing device, as Churchill later did, to pull listeners to the edge of their seats?

I recall a session that a roomful of image makers held with a presidential candidate before a televised news conference. The problem was that the candidate anticipated all the questions, knew all the answers and tended to pop out the reply the moment the question was asked; it made him seem like a smart aleck, too glib.

The sage advice was this: On at least one question, cross 'em all up with a pregnant pause. Stop. Pause a moment or two — like maybe three whole seconds, driving sound-bite specialists crazy with the waste of costly network time — as if the question caused the interviewee to think his position over.

No need for *well, y'know, I mean* or any such filler, though a thoughtful *hmmm* might be permissible.

It worked. Attention was paid. The ghost of Alcibiades . . . smiled.

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